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Consumer

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Association

1991

Home Equity
Loan Study

An

analysis

of the

December 1990

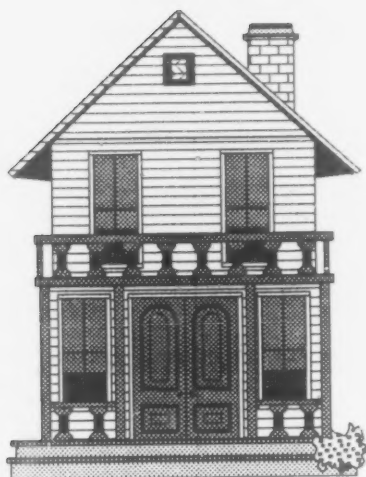
Survey

Conducted by

Richard F. DeMong, D.B.A., CFA, Director, Center for Financial Service Studies, and Professor
of Commerce, McIntire School of Commerce, University of Virginia

John H. Lindgren, Jr., D.B.A., Consumer Bankers Association Professor of Retail Banking, McIntire School of Commerce





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HOME LENDING SURVEY

FOR YEAR END 1990

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Richard F. DeMong, D.B.A., CFA
Director, Center for Financial Services Studies
and
Professor of Commerce
McIntire School of Commerce
University of Virginia

John H. Lindgren, Jr., D.B.A.
Consumer Bankers Association
Professor of Retail Banking
McIntire School of Commerce
University of Virginia

Sponsored by
Consumer Bankers Association

Consumer Bankers Association

The Consumer Bankers Association was founded in 1919 to provide a progressive voice for the retail banking industry. CBA represents approximately 800 federally insured banks and thrift institutions that hold more than 80 percent of all consumer deposits, and more than 70 percent of all consumer credit held by federally insured depository institutions.

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Consumer Bankers Association

1000 Wilson Boulevard, 30th Floor
Arlington, VA 22209-3908
Telephone (703)276-1750
Fax (703)528-1290

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Introduction

The fifth annual survey of home equity lending documents the continued, phenomenal growth of home equity loans in the United States. This year's survey details the growth and use of home equity **open-end** lines (revolving credit), and home equity **closed-end** loans. It is a national, comprehensive survey of 1990 home equity lending products.

Twenty-six percent of all consumer credit (excluding unsecured credit cards) at responding institutions was home equity **open-end** credit in 1990. It represented 28 percent in 1989, 29 percent in 1988, and 25 percent of consumer credit in 1987. **Closed-end** loans represented 16 percent of all consumer credit at the average lender in 1990, as compared to 17 percent in 1989. If **closed-end** loans were included, home equity credit would represent 42 percent of all consumer credit (except unsecured credit cards) in 1990.

Almost 98 percent of the lenders in this study offered **open-end** lines. Eighty-four percent of the lenders offered **closed-end** loans.

Objectives

The Study's objectives are the following:

1. Analyze total consumer credit outstanding (excluding unsecured credit cards).
2. Describe an institution's typical portfolio within the home equity product. This includes **open-end** and **closed-end**, as well as fixed and variable rate loans/lines.
3. Analyze the approval process on home equity products.
4. Evaluate the characteristics of variable rate home equity products.
5. Analyze the servicing of home equity products, by reviewing policies, primary uses of home equity credit by borrowers, delinquencies, and foreclosures.
6. Profile the average customer and evaluate home equity loan market activities among different institutions.
7. Discuss the basic demographics of institutions presently marketing home equity products.
8. Provide home equity analysis in aggregate form, as well as by size of institution, by institution, and by region.

Methodology and Sample

On behalf of the Consumer Bankers Association, the Center for Financial Services Studies of the McIntire School of Commerce, University of Virginia, sent questionnaires to 1,224 commercial banks and 120 thrifts (mutual savings banks, savings and loan associations, credit unions, mortgage companies, and finance companies). The questionnaire was developed over a five-year period with seven revisions. The survey covered a stratified systematic sample of financial institutions in the United States that had assets of at least \$100 million. Questionnaires were sent to 813 commercial banks with assets of more than \$250 million, 411 commercial banks with assets of \$100 million to \$250 million, and the 120 largest thrifts in the United States. Each institution received the fourteen-page questionnaire during February, 1991. This resulted in 141 usable responses prior to the deadline, or almost 10.5 percent of the total mailing.

Characteristics of Respondents

The 141 respondents, coming from thirty-three states, were regionally representative of financial institutions in the United States that have assets of \$100 million or more. Exhibit 1 (pgs. 19 - 21) depicts some of the statistical characteristics of the responding lenders. Assets of the survey participants totaled \$837 billion, and consumer loan portfolios (excluding unsecured credit cards) amounted to \$142 billion. More pertinent to this study was the finding that these institutions reported a total of 989,743 approved home equity open-end lines, amounting to \$34.9 billion in home equity open-end credit, and 621,424 home equity closed-end loans, totaling \$17.2 billion in home equity closed-end credit.

The average asset size of responding institutions was \$5.9 billion, an increase of \$.4 billion since 1989. Assets at the average bank had a growth rate of 6.9 percent in 1990 as well as in 1989. The median number of branches in 1990 was forty-three, an increase of eleven branches since 1989 and fourteen branches since 1988. The average lender's return on assets was .97 percent in 1991.

The data were analyzed on an aggregate basis as well as by region, size, and type of institution. On a geographic basis, the responses were broken down into four of the Census Bureau's regions: Northeast, South, Midwest and West.

In terms of asset size, the four categories used were: small (\$100 million to \$300 million in assets), medium (\$300 million to \$1 billion in assets), large (\$1 billion to \$5 billion in assets) and very large (more than \$5 billion in assets).

The data were also categorized by commercial bank versus thrift (credit unions, mortgage companies, savings banks and savings and loan associations). The study examined 116 commercial banks and 25 thrifts, including 1 mortgage company. In many cases the mean and the median statistic will be presented in the exhibits. The mean is commonly called the "average" and is simply

the sum of all the data divided by the number of respondents for that question. The median is the middle respondent for that question. If there were one hundred respondents for a question, and if the data were arranged from the smallest number to the largest number, then the median would be the fiftieth number in the array. The median is often a better measure for the middle of the data than the mean because it is not influenced by the extremes of the data.

Home Equity Lending

The average lender had 7,982 open-end lines and 6,341 closed-end loans as of December 31, 1990 (Exhibit 2, pgs. 22 - 24). The average total open-end approved credit was \$300,835,817. However, only 6,399 open-end lines (85.6 percent of all open-end lines) were actually in use as of the end of 1990. The average amount of open-end credit in use at the end of 1990 was \$157,915,204. The average lender reported that 58 percent of its approved open-end credit was outstanding at the end of 1990 (Exhibit 3, pgs. 25 - 27). This percentage of outstanding credit was the same as in 1989. The percent of open-end lines in use dropped in 1990. In 1990, 80 percent of lines were in use, versus 86 percent in use in 1989.

There were 6,341 closed-end loans at the average lender. These closed-end loans totaled \$181,292,219 at the average lender in 1990.

1990 versus 1989

The importance of home equity lending to the average bank increased in 1990. The average bank had 44 percent of its consumer credit in home equity credit in 1990, as compared to 39 percent in 1989. Open-end home equity credit represented 26 percent of the bank's consumer credit in 1990, as compared to 24 percent in 1989. Closed-end loans represented 16 percent of the average commercial bank consumer credit in 1990, as compared to 15 percent in 1989.

The average thrift had less home equity credit than the average bank. In addition, home equity lending made up a lesser percentage of a thrift's consumer credit portfolio than of a bank's. Open-end credit represented 18 percent of an average thrift's consumer credit portfolio (excluding unsecured credit cards) as compared to 28 percent of an average banks. Home equity credit in aggregate (open-end and closed-end credit), represented 32 percent of consumer credit at the average thrift and 42 percent at the average bank. Although home equity lending increased in 1990, the number of new lenders did not increase in our sample in 1990 (Figure 1).

Figure 1



New Home Lending

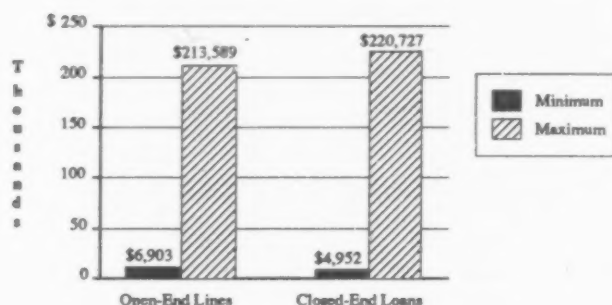
The average financial institution approved 1,908 new home equity open-end lines in 1990 for an additional amount of open-end credit of \$80,571,740 (Exhibit 4, pgs. 28 - 30). The average new home equity open-end line was for \$31,698 in 1990. The new open-end lines were, on average, smaller than the average existing open-end lines of \$32,158.

The average lender booked more home equity closed-end loans than open-end lines in 1990 (Exhibits 4 & 5, pgs. 28 - 33). The average lender approved 2,747 new closed-end loans in 1990, as compared to 1,908 new open-end lines. The amount of closed-end loans booked in 1990 was \$79,508,274. The average booked closed-end loan was \$22,958, as compared to \$31,776 for the average newly approved closed-end loan in 1989 (Exhibit 6, pgs. 34 - 36). The average newly originated new closed-end loans in 1990 were larger than the average of all closed-end loans (\$22,918 versus \$20,005). This was expected since some of the existing closed-end principal has been repaid. Both the average new open-end and average closed-end loans were approximately \$1,500 smaller than the open-end lines and closed-end loans originated in 1989.

The average minimum open-end line was \$6,903 in 1990. The average maximum open-end line was \$213,589. The median minimum open-end line was \$5,000, and the median closed-end loan was also \$5,000. The median maximum open-end line was \$100,000, and the median maximum closed-end loan was \$150,000 in 1990. The average minimum for closed-end loans was \$4,952, and the average maximum closed-end loan was \$220,727 (see Figure 2).

Figure 2

Average Minimum and Maximum Lines and Loans



Variable Rate Lines/Loans

Seventy-seven percent of the lenders in 1990 used The Wall Street Journal prime rate as the index for setting the variable rate for open-end lines (Table 1). Another 9 percent of the lenders used a bank prime rate as their index for variable rate open-end lines. The average spread over the prime rate was 175 basis points, and the median spread was 175 basis points (Table 2). Only 12 percent used a Treasury Bill rate as their index. The average spread over a Treasury Bill rate was 391 basis points, and the median was 400 basis points. The average spreads for open-end lines dropped in 1990 as compared to 1989. The average spread over prime dropped by 14 basis points, and the median spread dropped by 24 basis points. The average spread over Treasury bill rates dropped by 17 basis points in 1990 as compared to 1989.

Table 1

Variable Rate Index

	Open-End Lines	Closed-End Loans
<u>The Wall Street Journal</u> Prime Rate	77%	28%
Bank Prime Rate	9%	11%
30 Day Treasury Bill	3%	3%
90 Day Treasury Bill	4%	25%
180 Day Treasury Bill	4%	18%
52 Week Treasury Bill	1%	8%
Other	2%	7%

In contrast, only 39 percent of the lenders used a prime rate as the index for their variable rate closed-end loans, with 28% using The Wall Street Journal prime rate and 11% using a bank prime rate. It must be noted that only 20 percent of the lenders had variable rate closed-end loans. In contrast, 91 percent of open-end lenders had variable rate lines. The average spread over prime rate for closed-end loans was 167 basis points, and the median was 175 basis points. Treasury Bill rates were used by 54 percent of the lenders for their closed-end index. The average spread over prime rate was 405 basis points, and the median spread was 418 basis points.

Table 2

Spread Over Index

	Open-End Lines	Closed-End Loans
Over Prime Rate:		
Mean	175 Basis Pts.	167 Basis Pts.
Median	175 Basis Pts.	175 Basis Pts.
Over Treasury Bill		
Mean	391 Basis Pts.	405 Basis Pts.
Median	400 Basis Pts.	418 Basis Pts.

The majority (72 percent) of open-end lenders could or did adjust their variable rate on a monthly basis, while 17 percent used a quarterly adjustment period (Table 3). In contrast, 50 percent of the closed-end lenders used a monthly adjustment period. The adjustment period for other closed-end lenders varied from the 30 percent that used a quarterly adjustment period to the 13 percent that used a daily period for variable rate adjustments. Nine percent of the open-end lenders could use a daily adjustment period, as could 13 percent of the closed-end lenders.

Table 3

Variable Rate Adjustment Period

	Open-End Lines	Closed-End Loans
Daily	9%	13%
Weekly	2%	7%
Monthly	72%	50%
Quarterly	17%	30%

1990 versus 1989

The use of The Wall Street Journal prime rate as the index for variable rate open-end lines increased from 42 percent of the lenders in 1987 to 69 percent in 1990. However, the 77 percent using The Wall Street Journal index in 1990 was down from the 74 percent that used the rate in 1989. The use of a bank prime decreased from 33 percent of lenders in 1987 to 9 percent in 1990. Similarly, the use of a Treasury Bill rate decreased over the last three years, from 14 percent of lenders in 1987 to 12 percent in 1990.

The average open-end line spread over the indexes has fluctuated by only a few basis points over the last four years. Spreads dropped in 1990 as compared to the previous three years. The average variable rate spread over the prime rate was 175 basis points in 1990, as compared to 189 basis points in 1989, 182 basis points in 1988, and 184 basis points in 1987.

Monthly adjustment periods have been the most popular adjustment period for open-end variable rate lenders during the last four years. Monthly adjustment periods were used by 72 percent of the lenders in 1990, as compared to 71 percent in 1989, 64 percent in 1988, and 70 percent in 1987.

Fees

The majority (62 percent) of lenders of open-end lines charged appraisal fees (an average of \$175.57) and recording fees (51 percent) (an average of \$19.91) (Exhibits 7 & 8, pgs. 37 - 42). The percent of lenders charging appraisal fees has stayed in the low sixties since its high of 79 percent in 1987. The percent of lenders charging recording fees has continued its five-year drop. Recording fees were charged by 64 percent of the lenders in 1989, as compared to 69 percent in 1988, and 77 percent in 1987. Title insurance (of an average of \$282.19) was charged by 25 percent of the lenders in 1990, as compared to 46 percent of the lenders in 1989. Title search fees (of an average of \$91.91) were charged by 24 percent of the lenders in 1990, as compared to 40 percent in 1988. Annual fees of \$36.00 were charged by 37 percent of the lenders in 1990, the same percentage as in 1989.

A majority of closed-end lenders charged recording fees. Fifty-five percent of the lenders charged an average of \$21.00 for recording. Appraisal fees were charged by 58 percent of the closed-end lenders. The average appraisal fee was \$182. (Exhibit 8, pgs. 40 - 42). Approximately a quarter of the closed-end lenders charged title insurance (an average of \$276.11), and closed-end lenders also charged for a title search (an average of \$80.57).

Borrower Options

The majority of open-end lines (74 percent) could be increased at the borrower's option, with the approval of the lenders (Exhibit 9, pg. 43). The average cost to the borrower of increasing the open-end line was \$242.01 in 1990. The average cost of increasing the line was almost twice the average cost in 1989.

Twenty-four percent of the lenders allowed the open-end borrowers to convert their line from a variable interest rate to a fixed rate. Sixteen percent of the closed-end borrowers were allowed to convert their loan from a variable rate to a fixed rate. Finally, 46 percent of the lenders allowed the open-end borrowers to make interest-only payments.

1990 versus 1989

Surprisingly, the percent of lenders allowing an increase in a current line dropped from 76 percent in 1989 to 74 percent in 1990. It is difficult to explain this drop since the current customer's line can often be increased more inexpensively, with less need for an extensive credit check than would be incurred with a new customer. This decrease in the percentage of lenders allowing current borrowers the option of increasing their line may reflect institutional restrictions more than a change in borrowers' credit worthiness.

Loan Processing

It took an additional day to process both open-end lines and closed-end loans in 1990 than it did in 1989. It took the average lender 12.8 days to approve and close an open-end line in 1990 (Exhibit 10, pgs. 44 - 46). The processing time was measured from the receipt of the application to the closing of the line. It took only 11.1 days to approve and close the average closed-end loan (Exhibit 11, pgs. 47 - 49).

Open-end lines were processed and approved at a central location (56 percent of the lenders), at the branch level (36 percent), and at regional locations (8 percent). Almost half of closed-end loans were processed at a central location (49 percent of the lenders). Most of the remaining were processed at the branch level (40 percent).

The vast majority (78 percent) of open-end lenders used a manual process as opposed to an automated process (22 percent). The same held true in closed-end lending, where 71 percent of the lenders used a manual process and 29 percent used an automated process. There was a greater reliance on automated processes in 1990 than in 1989. In 1989, only 17 percent of open-end applications and 19 percent of closed-end applications were approved using an automated process.

Seventy-seven percent of open-end lenders and 63 percent of closed-end lenders used a judgmental process of approval. Twenty-one percent of the open-end lenders used a combination of judgment and credit scoring, as did 32 percent of the closed-end lenders. There was an increased use of a combined judgmental and credit scoring approach to credit approved in 1990. The combined approach increased by 2 percentage points for open-end lenders and by 7 percentage points for closed-end lenders.

Seventy-five percent of open-end applications and 70 percent of closed-end applications were approved in 1990. Approximately the same percent of open-end and closed-end applications were approved in 1989. Of the approved applications, 87 percent of the open-end lines and 84 percent of the closed-end loans actually closed. Thus, once a home equity line/loan was approved it closed around 86 percent of the time. The percent of approved home equity lines/loans closing in 1990 was approximately the same percentage closing in 1989.

The majority of home equity lenders (58 percent for open-end and 54 percent for closed-end) used a full appraisal for loan approval. Twenty-six percent of the lenders used a drive-by appraisal for approval of open-end lines, and 13 percent used the borrower's tax assessment. Approximately the same percentage of the open-end lenders and closed-end lenders used drive-by appraisal (26 percent of open-end lenders and 29 percent of closed-end lenders) and tax assessment (13 percent of open-end lenders and 13 percent of closed-end lenders).

Sixty-four percent of the open-end lenders and 90 percent of closed-end lenders offered credit life insurance. However, only 21 percent of the open-end borrowers and 33 percent of the closed-end borrowers actually took the credit life insurance. The average maximum amount of credit life insurance was \$52,468 for open-end borrowers and \$71,000 for closed-end borrowers.

Finally, a majority (62 percent of open-end lenders and 55 percent of closed-end lenders) required title insurance for some loans. The requirement was often triggered by the size of the line or loan.

Ninety-nine percent of the open-end lenders (Exhibit 12, pgs. 50 - 52) and 98 percent of the closed-end lenders (Exhibit 13, pgs. 53 - 55) used a debt-to-income formula in this approval process. The average debt-to-gross-income ratio was 38 percent for both open-end lines and closed-end loans. The average debt-to-net-income was 42 percent for open-end and 44 percent for closed-end credit in 1990. The use of, and the maximum debt-to-income remained essentially the same in 1990 as it was in 1989.

The average maximum loan-to-value ratio for an owner-occupied residence was 77 percent for open-end lines and 78 percent for closed-end loans. The average maximum loan-to-value were 69 percent for open-end lines and 70 percent for closed-end loans that were secured by a non-owner residence. The average maximum loan-to-value for open-end lines stayed level in 1990. However, the maximum loan-to-value for closed-end loans dropped by 1 percentage point for owner-occupied and by 2 percentage points for non-owner occupied homes.

1990 versus 1989

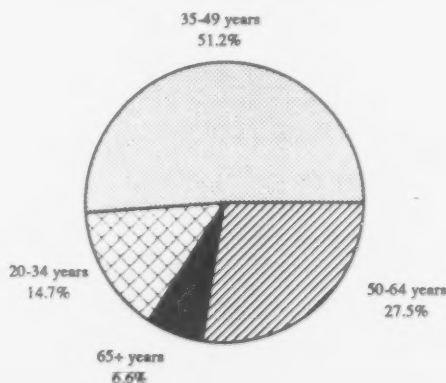
The average processing time increased by one day from the average in 1989. For open-end lending, processing took an average time of 18 days in 1987, 16 days in 1988, only 12 days in 1989 and 12.8 days in 1990. The type of appraisal used in the approval process remained fairly constant over the past three years; however, the use of full rather than drive-by's did increase by 3 percentage points for open-end lenders and by 4 percentage points for closed-end lenders. The percent of approved open-end lines that actually closed also stayed fairly constant over the past three years (88 percent in 1987 and 1988 and 87 percent in 1989). Approximately 63% of lenders have consistently offered credit life insurance throughout the past three years. However, the maximum amount of credit life insurance in 1990 was \$52,468 for open-end lines, as compared to \$51,000 in 1987, \$55,455 in 1988, and \$54,531 in 1989.

Home Equity Borrowers

The average open-end borrower had a household income of \$50,132 (up 1.5 percent from 1989), had 2.8 dependents, had held the same job for 8.3 years and had owned the same home for 9.3 years (up from 9.0 years in 1989) (Exhibit 14, pgs. 56 - 58). The average open-end borrower (51 percent of the open-end borrowers) was between the ages of 35 and 49 years of age (Figure 3). The second largest group of open-end borrowers (27 percent) were the next oldest group (50 to 64 years of age). The average open-end borrower at a commercial bank had held the same job slightly longer (8.3 years), and had owned the same home longer (9.6 years) than the average borrower at a thrift (8.0 years and 7.9 years, respectively). The average household incomes of the borrowers at thrifts was higher (\$51,515) than at commercial banks (\$49,870).

Figure 3

Age of Open-End Borrower



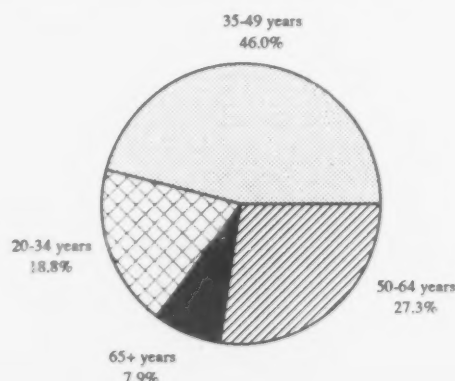
The average borrower at the largest lenders (\$5 billion or more in assets) had a higher household income, but had spent much less time at the same job than borrowers at smaller banks. Borrowers at the smallest lenders (assets under \$300 million) had a lower average household income, but a higher average time in the same job and in the same home. Similarly, the typical Midwestern borrower had a lower average household income, but a longer period of time in the same job and in the same home than the typical borrower in other regions of the country. However, borrowers in the West had the lowest average household income and the least number of years at the same job and in the same home.

The average age of the open-end borrowers was somewhat similar at various lenders, except that they tended to be younger in the Northeast and South.

The average closed-end borrower had a household income of \$42,534, had held the same job for 7.8 years (up from 7.7 years in 1989) and had owned the same home for 8.9 years (up from 8.4 years in 1989) (Exhibit 15, pgs. 59 - 61). All of these data were lower for the average closed-end borrower than for the average open-end borrower. The average closed-end borrower was slightly younger than the average open-end borrower (Figure 4). The two largest groups of borrowers were 35 to 49 years old (46 percent of the borrowers) and 50 to 64 years old (27.3 percent). But the youngest category of borrowers (20 to 34 years of age) represented almost 19 percent of the closed-end borrowers and only 14.7 percent of the open-end borrowers (Figure 4). The average loan-to-value of the open-end and closed-end lenders were 70.2 and 65.8 percent, respectively, in 1990 (Exhibits 12 & 13, pgs. 50 - 55). Both of these loan-to-values are well below the average maximum loan-to-value of the open-end and closed-end lenders, which were 77 and 78 percent, respectively (Exhibits 12 & 13, pgs. 50 - 55).

Figure 4

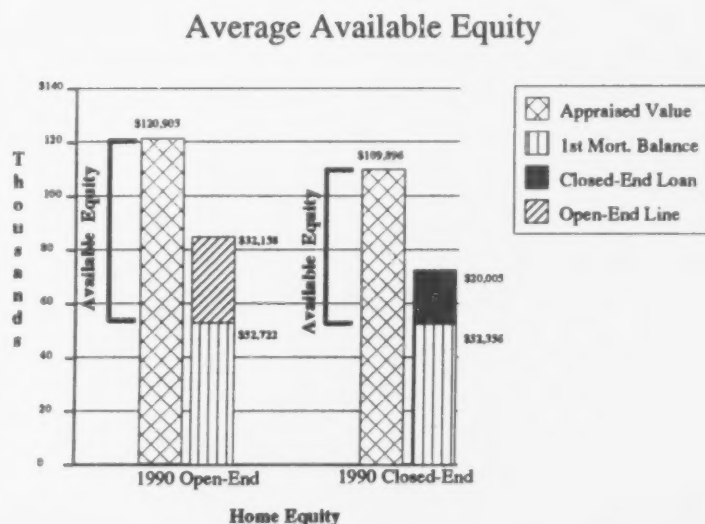
Age of Closed-End Borrower



Almost all of the same relative relationships for the average open-end lender also held for the average closed-end lender. The typical borrower at a commercial bank was less mobile (stayed at the same job and owned the same home for a longer period of time) than the average borrower at a thrift. Similarly, the average borrower had the least available equity in the Midwest and the greatest in the Northeast and West. Finally, closed-end borrowers were most mobile in the West and least mobile in the Midwest.

Given an average open-end line of \$32,158, an average first mortgage balance of \$52,722 and an appraised home value of \$120,905, the average open-end borrower had \$36,025 equity after deducting the home equity line and the first mortgage (Figure 5). Thus, including the first mortgage and the open-end line, the average borrower had 70 percent of the appraisal value of the home in loans or potential loans. Using the same logic, the average closed-end borrower had \$37,535 of equity after subtracting the average first mortgage balance of \$52,356 and closed-end loans of \$20,005. Thus, the average closed-end borrower had loans (first mortgage plus closed-end loans) worth 66 percent of the appraisal value of the home.

Figure 5



The average home equity borrower had an approved open-end line of \$32,162 or a closed-end loan of \$20,005 (Exhibit 6, pgs. 34 - 36). New borrowers in 1990 received open-end lines of, on average, \$31,698, or closed-end loans, on an average of \$22,918. Notably, new open-end lines were \$464 smaller than the existing open-end lines, and new closed-end loans were \$2,913 larger than the existing closed-end loans (\$22,918 for new and \$20,005 for all closed-end). New closed-end loans were smaller in 1990 than in 1989, when they were \$24,463. The average size of home equity lines and loans was much larger at thrifts than at banks. The average borrowers had drawn only 58.2 percent of their approved open-end line. From the lender's perspective, 85.6 percent of all approved open-end lines were in use at the end of 1990.

The average open-end borrowers had the most available equity (the difference between the appraised value of the home and the first mortgage on that home) in the Northeast and West, at the typical thrift, and at the largest lenders (with assets over \$1 billion), because of the higher appraised value of those homes (Exhibit 14, pgs. 56 - 58). The average borrowers had the least available equity in the South and Midwest, at commercial banks, and at the smallest lenders.

1990 versus 1989

The average household income of open-end borrowers was 1.5 percent higher in 1990 than in 1989 (\$50,132 versus \$49,388). The average number of dependents was essentially the same for the last three years. The average number of years at the same job and in the same home went up slightly from the averages of 1989. The average number of years at the same job increased from 8.2 years to 8.3 and the number of years of same-home ownership increased from 9.0 to 9.3.

Reasons for Borrowing

Home improvement was the primary reason for home equity borrowing in 1990. Thirty-eight percent of the closed-end borrowers used the funds for home improvement, and 32 percent of the open-end borrowers used their line for home improvement (Figures 6 & 7). This use of the funds was most satisfying to the lender since it would increase the value of the collateral and thus decrease the inherent risk of the credit. Debt consolidation was the second most popular use of home equity credit in 1990. Debt consolidation was the primary reason for 24 percent of the closed-end borrowers and 30 percent of the open-end borrowers. Other uses of home equity credit included automobile, education, medical expenses, investments and other needs for liquidity.

Figure 6

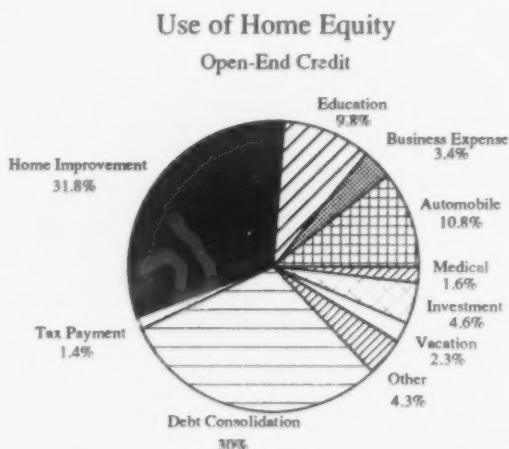
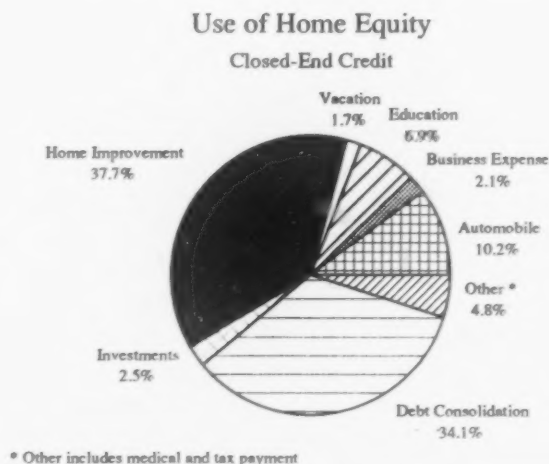


Figure 7



Access to Home Equity Open-end Lines of Credit

Ninety-seven percent of all home equity lenders allowed access to **open-end** lines through checks, including draft accounts (Exhibit 16, pgs. 62 - 64). Fifty-six percent of the lenders allowed personal withdrawal from the **open-end** line of credit. The average **open-end** borrowers accessed their accounts 17 times in 1990.

The methods of access varied regionally. Fifty percent of the Western lenders and 40 percent of the Midwestern lenders allowed access to the **open-end** lines via telephone, as compared to only 14 percent of the Southern lenders. ATMs were more popular in the Midwest (30 percent of the lenders) than in the South (16 percent) or the West (8 percent). Midwestern lenders tended to offer more methods of access than the other regions' lenders.

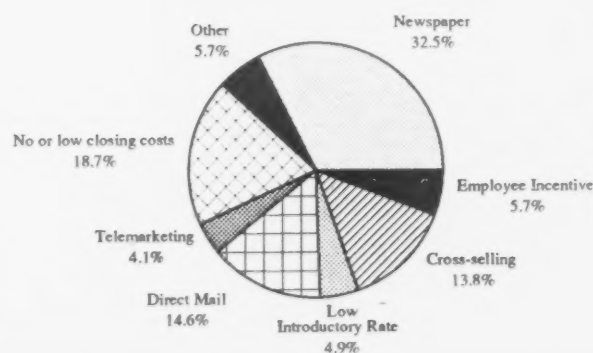
The average number of transactions (not including payments) in each account was 17 in 1990 (Exhibit 16, pgs. 62 - 64). The average total dollar amount of transactions per account for all of 1990 was \$7,043. The number of transactions and total amount of transactions varied by the size of the lender and by the type of lender. There was an inverse relationship between the size of the lenders and the number of transactions--the smaller the lender, the more transactions occurred. Conversely, the dollar amount of transactions was greater at the larger lenders than at the smaller lenders. Of course, the average size of **open-end** lines tended to be larger at the larger lenders (Exhibit 6, pgs. 34 - 36). The average number of transactions and dollar amount of transactions were greater at banks than at thrifts.

Marketing Methods

Newspapers remained the most important marketing tool in 1990. Thirty-two percent of all lenders selected newspapers as their most important marketing media (Figure 8). Newspapers have been listed as the most important media for each of the past five years. In 1989, newspapers were listed by a fourth of all lenders as the most important marketing tool, but by 1990, newspapers were listed as most important by almost a third of the lenders. Low or no closing costs were listed as the most important marketing tool by almost a fifth of the lenders. Low or no closing costs were listed by only 15 percent of the lenders in 1989. Fourteen percent of the lenders selected cross-selling as their most important marketing method, and 15 percent selected direct mail. Low introductory interest rates were selected by 5 percent of the lenders as the most important marketing tool. Thus, almost a quarter of all lenders used no or low closing costs or low introductory interest rates as their most important marketing tool in 1990. The use of these competitive tools increased in 1990, as compared to 1989. Radio, television, cross-selling, and statement stuffers dropped in importance in 1990 as compared to 1989.

Figure 8

Most Important Marketing Media
(according to lenders)



Delinquent Lines and Loans

Home equity delinquency rates, as expected, were below those for consumer credit (excluding unsecured credit cards) (Exhibit 17, pgs. 65 - 67). The delinquency rate for open-end home equity credit was 1.55 percent in 1990, as compared to the consumer credit (excluding unsecured credit cards) rate of 2.12 percent. The delinquency rate of closed-end home equity loans was 1.59 percent. This rate was slightly higher than the open-end home equity credit rate, but was still well below the consumer credit delinquency rate. As would have been expected from regional economic differences, delinquency rates in the Northeast were the highest in the country, with those in the West tending to be the lowest. These regional differences were greater than they were in 1989.

1990 versus 1989

The delinquency rate of open-end home-equity credit in 1990 was higher than in 1989 (1.55 percent and 1.3 percent, respectively), but at about the same level as in 1988 (1.5 percent). This seems to indicate a promising stabilization of delinquencies even in the face of declining economic conditions.

Foreclosures

The average lender foreclosed only eight open-end home-equity lines in 1990 (Exhibit 18, pg. 68). The average amount of foreclosed open-end lines was \$330,166. The average line was 78.8 percent outstanding when it was foreclosed. Some lenders' lines were more than 100 percent outstanding at the time of foreclosure because of added interest in arrears to the underlying obligation. The average lender had eight foreclosures for an average of \$32,097 per foreclosure. The median lender had two foreclosures for a total of \$69,318. The difference between the mean and the median statistic reflects the difference in the size of the respondents and the amounts of home equity credit.

The average lender had twenty-eight foreclosed closed-end home equity loans in 1990 (Exhibit 19, pg. 69). The average amount of the foreclosed home equity loans was \$1,347,789. The fact that there were more foreclosed closed-end loans than foreclosed open-end lines may reflect that the average open-end line is newer than the average closed-end loan. The median number of foreclosed closed-end loans was four, and median dollar amount of foreclosed loans was \$71,608. The average amount of a foreclosed closed-end loan was \$26,952. The average amount of a closed-end loan that was outstanding when foreclosed was 59.9 percent. Finally, the average percent of all closed-end credit that was foreclosed in 1990 was only .56. This percentage was almost four times higher than the percentage of open-end credit that was foreclosed in 1990. The percentage was also higher than the .26 percent for closed-end foreclosures in 1989.

1990 versus 1989

The average lender's open-end home equity foreclosure was higher in 1990 than it was in 1989. Average foreclosures were \$330,166 in 1990 and \$142,665 in 1989 (Exhibit 18, pg. 68). This partially reflects the maturity of home equity lending product and the economic conditions. The average foreclosed open-end line was \$32,097 in 1990 as compared to \$51,902 in 1989. The average lender open-end foreclosures increased from three in 1989 to eight in 1990, and the amount foreclosed increased from \$142,665 in 1989 to \$330,166 in 1990. The percent of open-end lines foreclosed in 1990 remained very small, only .15 percent. This percentage was higher than the .14 percent in 1989.

Adjustment Caps

Only 8 percent of the lenders have annual adjustment caps on their variable rate **open-end** lines, but 12 percent of the **closed-end** lenders have annual caps (Exhibits 20 & 21, pgs. 70 - 71). Fifty-six percent of **closed-end** lenders have lifetime interest rate caps on their variable interest rate loans. The average lifetime interest rate cap was 18.5 percent for **open-end** lines and 16.6 percent for **closed-end** loans. Thirty-three percent of the **open-end** lenders that had lifetime floor interest rates set the interest rate floor at an average 9 percent.

Secondary Markets and Securitization

Only 1.5 percent of all lenders sold home equity **open-end** lines in 1990 and 4.5 percent sold **closed-end** loans (Exhibit 22, pg. 72). Both of these percentages are more than double their levels in 1989. A greater percent of the lenders bought **open-end** lines (6.5 percent) and **closed-end** loans (12.5 percent). The percent of lenders buying home equity credit almost doubled from 1989 to 1990.

Eleven percent of the **open-end** lenders and 7.3 percent of the **closed-end** lenders currently securitize their home equity credit. Almost six percent of **open-end** and **closed-end** lenders plan to start securitization of home equity credit in 1991.

Periodic Reviews

Periodic reviews are used by 82 percent of **open-end** lenders, as compared to only 67 percent in 1989 (Exhibit 23, pg. 73). The most frequently used review period (50 percent) was an annual review.

Approximately 51.5 percent of the **open-end** lenders used an account monitoring system, as compared to 45 percent in 1989, and the most frequently used system consisted of internal reports (59 percent). An external vendor, such as a credit bureau report or other service, was used by 41 percent of the lenders.

Exhibits

INSTITUTION CHARACTERISTICS
(**\$000,000**)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ASSET SIZE			
Mean	\$6,495	\$3,357	\$5,939
Median	\$1,914	\$1,512	\$1,837
NO. OF BRANCHES OR BANKS			
Mean	102	51	93
Median	45	30	43
GROWTH IN ASSETS			
Mean	6.9%	6.9%	6.9%
Median	6.6%	2.3%	6.5%
RETURN ON ASSETS			
Mean	.84%	1.79%	.97%
Median	1.00%	.70%	1.00%
RETURN ON EQUITY			
Mean	11.7%	8.3%	11.2%
Median	13.4%	10.2%	12.9%
NUMBER OF RESPONDENTS	116	25	141

INSTITUTION CHARACTERISTICS
(**\$000,000**)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ASSET SIZE					
Mean	\$5,237	\$4,386	\$4,979	\$17,149	\$5,939
Median	\$1,650	\$2,196	\$1,175	\$5,338	837
NO. OF BRANCHES OR BANKS					
Mean	84	102	57	226	93
Median	44	64	21	79	43
GROWTH IN ASSETS					
Mean	5.5%	9.3%	6.0%	7.9%	6.9%
Median	6.7%	8.4%	5.2%	9.8%	6.5%
RETURN ON ASSETS					
Mean	1.01%	.81%	1.06%	.99%	.97%
Median	.65%	.77%	1.06%	1.04%	1.00%
RETURN ON EQUITY					
Mean	7.4%	11.1%	14.2%	14.4%	11.2%
Median	11.2%	11.3%	14.5%	15.7%	12.9%
NUMBER OF RESPONDENTS	46	38	45	12	141

INSTITUTION CHARACTERISTICS
(\$000,000)

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ASSET SIZE					
Mean	\$204	\$565	\$2,293	\$18,220	\$5,939
Median	\$214	\$513	\$1,914	\$11,281	\$1,837
NO. OF BRANCHES OR BANKS					
Mean	9	14	57	247	93
Median	6	13	44	180	43
GROWTH IN ASSETS					
Mean	10.7%	7.0%	5.4%	7.7%	6.9%
Median	8.1%	6.1%	5.8%	7.2%	6.5%
RETURN ON ASSETS					
Mean	2.59%	1.06%	.72%	.68%	.97%
Median	1.30%	1.00%	.82%	.76%	1.00%
RETURN ON EQUITY					
Mean	17.0%	13.7%	9.4%	10.7%	11.2%
Median	14.6%	13.8%	11.0%	12.8%	12.9%
NUMBER OF RESPONDENTS	17	23	64	37	141

**CONSUMER AND HOME EQUITY LINES/LOANS
(\$000)**

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
DOLLARS OF CONSUMER CREDIT			
Mean	\$1,170,872	\$1,010,746	\$1,148,920
Median	\$394,409	\$317,951	\$384,602
NUMBER OF OPEN-END LINES			
Mean	8,558	5,157	7,982
Median	3,385	2,466	3,333
DOLLARS OF APPROVED OPEN-END LINES			
Mean	\$324,120	\$181,965	\$300,836
Median	\$86,106	\$80,883	\$84,651
NUMBER OF OUTSTANDING OPEN-END LINES			
Mean	6,748	4,775	6,399
Median	2,931	2,217	2,861
DOLLARS OF OUTSTANDING OPEN-END LINES			
Mean	\$166,727	\$118,262	\$157,915
Median	\$51,126	\$58,738	\$52,257
NUMBER OF CLOSED-END LOANS			
Mean	5,492	9,654	6,341
Median	1,662	3,260	2,065
DOLLARS OF APPROVED CLOSED-END LOANS			
Mean	\$191,498	\$140,469	\$181,292
Median	\$33,732	\$69,808	\$42,877

EXHIBIT 2A

CONSUMER AND HOME EQUITY LINES/LOANS
(\$000)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
DOLLARS OF CONSUMER CREDIT					
Mean	\$1,202,895	\$740,545	\$468,634	\$4,760,319	\$1,148,920
Median	\$498,022	\$547,155	\$192,900	\$515,910	\$384,602
NUMBER OF OPEN-END LINES					
Mean	7,229	6,610	6,303	22,217	7,982
Median	3,027	5,302	2,935	3,413	3,333
DOLLARS OF APPROVED OPEN-END LINES					
Mean	\$273,115	\$200,788	\$156,477	1,383,153	\$300,836
Median	\$75,305	\$173,295	\$58,990	\$129,955	\$84,651
NUMBER OF OUTSTANDING OPEN-END LINES					
Mean	5,488	5,589	4,570	18,189	6,399
Median	2,774	4,884	1,817	3,000	2,861
DOLLARS OF OUTSTANDING OPEN-END LINES					
Mean	\$161,646	\$116,144	\$78,141	\$563,299	\$157,915
Median	\$51,203	\$94,991	\$20,269	\$65,472	\$52,257
NUMBER OF CLOSED-END LOANS					
Mean	6,492	6,015	3,105	19,378	6,341
Median	1,731	3,815	1,087	2,083	2,065
DOLLARS OF APPROVED CLOSED-END LOANS					
Mean	\$98,551	\$141,136	\$50,842	1,007,937	\$181,292
Median	\$28,902	\$75,449	\$21,323	\$63,460	\$42,877

EXHIBIT 2B

**CONSUMER AND HOME EQUITY LINES/LOANS
(\$000)**

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
DOLLARS OF CONSUMER CREDIT					
Mean	\$126,126	\$117,120	\$506,164	\$3,168,281	\$1,148,920
Median	\$29,641	\$93,512	\$349,430	\$1,409,988	\$384,602
NUMBER OF OPEN-END LINES					
Mean	314	1,362	4,517	19,886	7,982
Median	208	1,206	3,248	14,828	3,333
DOLLARS OF APPROVED OPEN-END LINES					
Mean	\$8,354	\$37,376	\$139,454	\$855,711	\$300,836
Median	\$9,500	\$29,570	\$84,651	\$549,581	\$84,651
NUMBER OF OUTSTANDING OPEN-END LINES					
Mean	251	1,348	3,910	15,970	6,399
Median	149	1,179	2,918	11,936	2,861
DOLLARS OF OUTSTANDING OPEN-END LINES					
Mean	\$4,741	\$21,429	\$79,987	\$429,609	\$157,915
Median	\$4,217	\$16,274	\$51,842	\$282,821	\$52,257
NUMBER OF CLOSED-END LOANS					
Mean	151	647	4,394	12,690	6,341
Median	104	546	2,275	5,463	2,065
DOLLARS OF APPROVED CLOSED-END LOANS					
Mean	\$1,194	\$9,751	\$102,637	\$387,094	\$181,292
Median	\$1,161	\$7,584	\$45,408	\$96,618	\$42,877

EXHIBIT 2C

**OUTSTANDING HOME EQUITY OPEN-END
LINES AS A PERCENT OF APPROVED LINES ***

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF LINES IN USE			
Mean	85.1%	87.9%	85.6%
Median	86.3%	90.5%	87.1%
PERCENT OF APPROVED OPEN-END CREDIT OUTSTANDING			
Mean	58.4%	57.6%	58.2%
Median	56.5%	57.8%	57.0%

* To determine the percent on the lines-in-use that is outstanding, simply divide the "Percent of approved open-end credit outstanding" by the "Percent of lines in use". For example, the average percent of the lines in use that was outstanding for all of the respondents to this survey in 1990 was 68 percent (58.2% divided by 85.6%).

**OUTSTANDING HOME EQUITY OPEN-END
LINES AS A PERCENT OF APPROVED LINES ***

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PERCENT OF LINES IN USE					
Mean	86.0%	86.5%	84.0%	86.5%	85.6%
Median	87.9%	88.5%	86.0%	87.2%	87.1%
PERCENT OF APPROVED OPEN-END CREDIT OUTSTANDING					
Mean	58.2%	59.1%	58.8%	53.0%	58.2%
Median	59.4%	57.8%	55.5%	53.7%	57.0%

* To determine the percent on the lines-in-use that is outstanding, simply divide the "Percent of approved open-end credit outstanding" by the "Percent of lines in use". For example, the average percent of the lines in use that was outstanding for all of the respondents to this survey in 1990 was 68 percent (58.2% divided by 85.6%).

**OUTSTANDING HOME EQUITY OPEN-END
LINES AS A PERCENT OF APPROVED LINES***

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PERCENT OF LINES IN USE					
Mean	91.3%	91.3%	85.3%	81.7%	85.6%
Median	88.9%	90.0%	86.6%	83.4%	87.1%
PERCENT OF APPROVED OPEN-END CREDIT OUTSTANDING					
Mean	66.0%	63.8%	57.3%	53.7%	58.2%
Median	61.6%	59.4%	58.3%	53.7%	57.0%

* To determine the percent on the lines-in-use that is outstanding, simply divide the "Percent of approved open-end credit outstanding" by the "Percent of lines in use". For example, the average percent of the lines in use that was outstanding for all of the respondents to this survey in 1990 was 68 percent (58.2% divided by 85.6%).

**NEW OPEN-END LINES
ORIGINATED IN 1990**

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW OPEN-END LINES ORIGINATED 1990			
Mean	2,047	1,230	1,908
Median	693	705	693
DOLLAR AMT OF OPEN-END LINES ORIGINATED 1990 (000)			
Mean	\$88,683	\$42,331	\$80,572
Median	\$21,216	\$20,555	\$21,155
AVERAGE NEW OPEN-END LINE			
Mean	\$31,199	\$34,051	\$31,698
Median	\$28,113	\$34,801	\$29,013
PERCENT INCREASE IN OPEN-END LENDING IN 1990			
Mean	26.2%	8.6%	23.1%
Median	15.0%	11.0%	12.6%

EXHIBIT 4A

**NEW OPEN-END LINES
ORIGINATED IN 1990**

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
NUMBER OF NEW OPEN-END LINES ORIGINATED 1990					
Mean	1,411	1,203	1,332	7,642	1,908
Median	546	831	564	973	693
DOLLAR AMT OF OPEN-END LINES ORIGINATED 1990 (000)					
Mean	\$56,834	\$39,753	\$38,641	\$397,096	\$80,572
Median	\$11,436	\$26,321	\$11,842	\$35,700	\$21,155
AVERAGE NEW OPEN-END LINE					
Mean	\$33,644	\$29,292	\$27,719	\$44,160	\$31,698
Median	\$29,030	\$28,238	\$25,125	\$49,251	\$29,013
PERCENT INCREASE IN OPEN-END LENDING IN 1990					
Mean	9.0%	14.4%	39.4%	40.6%	23.1%
Median	11.0%	12.0%	18.3%	22.9%	12.6%

EXHIBIT 4B

**NEW OPEN-END LINES
ORIGINATED IN 1990**

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
NUMBER OF NEW OPEN-END LINES ORIGINATED 1990					
Mean	75	292	886	5,177	1,908
Median	76	138	640	2,978	693
DOLLAR AMT OF OPEN-END LINES ORIGINATED 1990 (000)					
Mean	\$1,820	\$7,476	\$27,794	\$234,325	\$80,572
Median	\$1,552	\$3,267	\$21,155	\$82,945	\$21,155
AVERAGE NEW OPEN-END LINE					
Mean	\$25,031	\$27,272	\$31,348	\$37,102	\$31,698
Median	\$21,232	\$27,418	\$28,573	\$33,285	\$29,013
PERCENT INCREASE IN OPEN-END LENDING IN 1990					
Mean	44.0%	11.6%	19.1%	27.6%	23.1%
Median	19.5%	6.0%	11.9%	19.1%	12.6%

EXHIBIT 4C

**NEW CLOSED-END LOANS
ORIGINATED IN 1990**

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW CLOSED-END LOANS ORIGINATED 1990			
Mean	2,319	4,309	2,747
Median	619	1,053	914
DOLLAR AMT OF CLOSED-END LOANS ORIGINATED 1990 (000)			
Mean	\$73,999	\$98,792	\$79,508
Median	\$15,912	\$28,435	\$18,978
AVERAGE NEW CLOSED-END LOAN			
Mean	\$22,248	\$25,228	\$22,918
Median	\$19,999	\$25,434	\$20,000
PERCENT INCREASE IN CLOSED-END LENDING IN 1990			
Mean	42.7%	26.7%	39.2%
Median	16.0%	21.2%	18.3%

EXHIBIT 5A

**NEW CLOSED-END LOANS
ORIGINATED IN 1990**

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
NUMBER OF NEW CLOSED-END LOANS ORIGINATED 1990					
Mean	3,021	2,576	1,075	7,872	2,747
Median	814	1,435	462	921	914
DOLLAR AMT OF CLOSED-END LOANS ORIGINATED 1990 (000)					
Mean	\$73,660	\$69,266	\$18,829	\$300,454	\$79,508
Median	\$17,811	\$46,041	\$7,652	\$31,545	\$18,978
AVERAGE NEW CLOSED-END LOAN					
Mean	\$24,072	\$27,456	\$16,108	\$30,247	\$22,918
Median	\$23,716	\$24,497	\$16,498	\$29,542	\$20,000
PERCENT INCREASE IN CLOSED-END LENDING IN 1990					
Mean	56.6%	39.5%	21.9%	33.4%	39.2%
Median	8.0%	27.5%	19.0%	30.0%	18.3%

EXHIBIT 5B

**NEW CLOSED-END LOANS
ORIGINATED IN 1990**

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
NUMBER OF NEW CLOSED-END LOANS ORIGINATED 1990					
Mean	2,182	187	1,487	6,150	2,747
Median	61	151	925	3,002	914
DOLLAR AMT OF CLOSED-END LOANS ORIGINATED 1990 (000)					
Mean	\$76,042	\$3,118	\$42,572	\$176,821	\$79,508
Median	\$1,021	\$2,036	\$20,062	\$66,212	\$18,978
AVERAGE NEW CLOSED-END LOAN					
Mean	\$16,330	\$16,509	\$25,826	\$22,734	\$22,918
Median	\$14,169	\$17,841	\$24,062	\$20,290	\$20,000
PERCENT INCREASE IN CLOSED-END LENDING IN 1990					
Mean	21.7%	14.2%	60.2%	20.8%	39.2%
Median	3.0%	2.0%	21.0%	15.7%	18.3%

AVERAGE SIZE OF LINES AND LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
AVERAGE APPROVED OPEN-END LINE			
Mean	\$31,403	\$36,170	\$32,162
Median	\$27,829	\$37,310	\$28,000
AVERAGE OUTSTANDING OPEN-END LINE			
Mean	\$21,406	\$25,723	\$22,181
Median	\$18,311	\$23,502	\$18,624
AVERAGE NEW OPEN-END LINE			
Mean	\$31,199	\$34,051	\$31,698
Median	\$28,113	\$34,801	\$29,013
AVERAGE CLOSED-END LOAN			
Mean	\$18,908	\$24,391	\$20,005
Median	\$16,795	\$23,968	\$17,543
AVERAGE NEW CLOSED-END LOAN			
Mean	\$22,248	\$25,228	\$22,918
Median	\$19,999	\$25,434	\$20,000

EXHIBIT 6A

AVERAGE SIZE OF LINES AND LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
AVERAGE APPROVED OPEN-END LINE					
Mean	\$35,979	\$33,302	\$24,680	\$41,806	\$32,162
Median	\$29,717	\$31,186	\$23,424	\$48,185	\$28,000
AVERAGE OUTSTANDING OPEN-END LINE					
Mean	\$26,415	\$21,743	\$18,091	\$25,002	\$22,181
Median	\$23,440	\$19,807	\$15,445	\$24,584	\$18,624
AVERAGE NEW OPEN-END LINE					
Mean	\$33,644	\$29,292	\$27,719	\$44,160	\$31,698
Median	\$29,030	\$28,238	\$25,125	\$49,251	\$29,013
AVERAGE CLOSED-END LOAN					
Mean	\$21,409	\$22,466	\$14,292	\$27,216	\$20,005
Median	\$21,133	\$20,266	\$13,368	\$25,088	\$17,543
AVERAGE NEW CLOSED-END LOAN					
Mean	\$24,072	\$27,456	\$16,108	\$30,247	\$22,918
Median	\$23,716	\$24,497	\$16,498	\$29,542	\$20,000

EXHIBIT 6B

AVERAGE SIZE OF LINES AND LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
AVERAGE APPROVED OPEN-END LINE					
Mean	\$27,245	\$27,312	\$32,678	\$35,836	\$32,162
Median	\$23,430	\$24,875	\$27,829	\$32,855	\$28,000
AVERAGE OUTSTANDING OPEN-END LINE					
Mean	\$20,813	\$18,121	\$22,518	\$24,093	\$22,181
Median	\$15,515	\$14,700	\$19,103	\$23,412	\$18,624
AVERAGE NEW OPEN-END LINE					
Mean	\$25,031	\$27,272	\$31,348	\$37,102	\$31,698
Median	\$21,232	\$27,418	\$28,573	\$33,285	\$29,013
AVERAGE CLOSED-END LOAN					
Mean	\$14,462	\$15,008	\$21,716	\$20,297	\$20,005
Median	\$10,528	\$14,192	\$20,713	\$19,886	\$17,543
AVERAGE NEW CLOSED-END LOAN					
Mean	\$16,330	\$16,509	\$25,826	\$22,734	\$22,918
Median	\$14,169	\$17,841	\$24,062	\$20,290	\$20,000

EXHIBIT 6C

FEES, IF CHARGED, FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	\$36	\$31	\$36
APPLICATION FEE	\$108	\$117	\$110
APPRAISAL FEE	\$161	\$237	\$175
ATTORNEY FEE	\$174	\$151	\$168
CLOSING FEE	\$91	\$50	\$83
CREDIT-CHECK FEE	\$18	\$21	\$19
LOAN SET-UP FEE	\$147	\$150	\$147
MORTGAGE TAX	\$420	\$154	\$344
POINTS	1.00	1.50	1.25
PROPERTY REPORT FEE	\$71	\$65	\$71
RECORDING FEE	\$19	\$24	\$20
SUBORDINATION FEE	\$97	\$100	\$98
TITLE INSURANCE	\$274	\$314	\$282
TITLE SEARCH	\$91	\$98	\$92
COMMITMENT FEE	\$131	.	\$131

EXHIBIT 7A

FEES, IF CHARGED, FOR OPEN-END LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ANNUAL FEE	\$30	\$31	\$37	\$41	\$36
APPLICATION FEE	\$92	\$168	\$125	.	\$110
APPRAISAL FEE	\$170	\$185	\$128	\$306	\$175
ATTORNEY FEE	\$158	\$189	\$75	\$85	\$168
CLOSING FEE	\$73	\$125	.	.	\$83
CREDIT-CHECK FEE	\$29	\$18	.	\$4	\$19
LOAN SET-UP FEE	\$150	\$25	\$115	\$208	\$147
MORTGAGE TAX	\$375	\$399	\$85	.	\$344
POINTS	1.33	.	.	1.00	1.25
PROPERTY REPORT FEE	\$52	\$93	\$93	.	\$71
RECORDING FEE	\$29	\$21	\$13	\$22	\$20
SUBORDINATION FEE	\$88	\$200	\$10	\$50	\$98
TITLE INSURANCE	\$452	\$238	\$235	\$250	\$282
TITLE SEARCH	\$86	\$119	\$79	\$100	\$92
COMMITMENT FEE	\$250	\$50	\$113	.	\$131

EXHIBIT 7B

FEES, IF CHARGED, FOR OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ANNUAL FEE	\$31	\$32	\$35	\$43	\$36
APPLICATION FEE	\$100	\$148	\$98	\$81	\$110
APPRAISAL FEE	\$128	\$109	\$187	\$254	\$175
ATTORNEY FEE	\$158	\$46	\$177	\$250	\$168
CLOSING FEE	.	\$64	\$89	\$88	\$83
CREDIT-CHECK FEE	\$5	\$32	\$21	\$14	\$19
LOAN SET-UP FEE	\$30	\$113	\$100	\$225	\$147
MORTGAGE TAX	.	.	\$322	\$400	\$344
POINTS	.	.	1.33	1.00	1.25
PROPERTY REPORT FEE	\$85	\$48	\$74	\$77	\$71
RECORDING FEE	\$14	\$19	\$21	\$23	\$20
SUBORDINATION FEE	\$10	.	\$150	\$38	\$98
TITLE INSURANCE	\$183	\$200	\$327	\$317	\$282
TITLE SEARCH	\$82	\$65	\$100	\$98	\$92
COMMITMENT FEE	\$100	\$88	\$250	.	\$131

EXHIBIT 7C

FEES, IF CHARGED, FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
APPLICATION FEE	\$87	\$125	\$93
APPRAISAL FEE	\$170	\$219	\$182
ATTORNEY FEE	\$145	\$180	\$159
CLOSING FEE	\$93	\$113	\$97
CREDIT-CHECK FEE	\$22	\$19	\$21
LOAN SET-UP FEE	\$119	\$83	\$112
MORTGAGE TAX	\$270	\$165	\$244
POINTS	1.80	1.61	1.73
PROPERTY REPORT FEE	\$70	\$51	\$67
RECORDING FEE	\$21	\$23	\$21
SUBORDINATION FEE	\$103	\$73	\$90
TITLE INSURANCE	\$273	\$284	\$276
TITLE SEARCH	\$83	\$73	\$81

EXHIBIT 8A

FEES, IF CHARGED, FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
APPLICATION FEE	\$101	\$68	\$105	\$50	\$93
APPRAISAL FEE	\$171	\$182	\$138	\$336	\$182
ATTORNEY FEE	\$154	\$186	\$43	\$85	\$159
CLOSING FEE	\$76	\$180	.	.	\$97
CREDIT-CHECK FEE	\$27	\$18	.	\$5	\$21
LOAN SET-UP FEE	\$104	\$75	\$54	\$282	\$112
MORTGAGE TAX	\$313	\$300	\$62	\$65	\$244
POINTS	2.10	1.72	1.25	1.75	1.73
PROPERTY REPORT FEE	\$50	\$115	\$92	.	\$67
RECORDING FEE	\$25	\$28	\$14	\$21	\$21
SUBORDINATION FEE	\$20	\$167	\$10	\$50	\$90
TITLE INSURANCE	\$450	\$232	\$201	\$262	\$276
TITLE SEARCH	\$63	\$90	\$83	\$100	\$81

EXHIBIT 8B

FEES, IF CHARGED, FOR CLOSED-END LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
APPLICATION FEE	.	\$150	\$90	\$69	\$93
APPRAISAL FEE	\$126	\$101	\$184	\$249	\$182
ATTORNEY FEE	\$150	\$88	\$164	\$196	\$159
CLOSING FEE	.	\$65	\$75	\$114	\$97
CREDIT-CHECK FEE	\$13	\$35	\$10	\$25	\$21
LOAN SET-UP FEE	\$33	\$200	\$94	\$300	\$112
MORTGAGE TAX	.	.	\$264	\$183	\$244
POINTS	1.75	.92	1.81	2.00	1.73
PROPERTY REPORT FEE	\$76	\$68	\$62	\$78	\$67
RECORDING FEE	\$15	\$20	\$20	\$28	\$21
SUBORDINATION FEE	\$10	.	\$150	\$57	\$90
TITLE INSURANCE	\$208	\$207	\$299	\$278	\$276
TITLE SEARCH	\$77	\$88	\$81	\$81	\$81

EXHIBIT 8C

BORROWER OPTIONS

OPEN-END LINES (PERCENT ALLOWING)	
INTEREST ONLY PAYMENTS	45.7%
CONVERSION TO FIXED RATE	24.1%
AN INCREASE IN LINE	74.1%
COST OF INCREASING LINE	\$242
CLOSED-END LOANS (PERCENT ALLOWING)	
CONVERSION TO FIXED RATE	15.5%

EXHIBIT 9

LOAN PROCESSING FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS	13	14	13
HOW PROCESSED			
BRANCH LEVEL	39%	25%	36%
REGIONAL	9%	4%	8%
CENTRAL	53%	71%	56%
PROCESS			
MANUAL	77%	83%	78%
AUTOMATED	23%	17%	22%
METHOD USED			
CREDIT SCORING	3%	0%	2%
JUDGMENTAL	77%	75%	77%
COMBINATION	20%	25%	21%
PERCENT OF APPROVED	76%	69%	75%
PERCENT OF CLOSED	88%	81%	87%
TYPE OF APPRAISALS			
FULL	58%	58%	58%
DRIVE-BY	25%	27%	26%
TAX	14%	11%	13%
REQUIRE TITLE INSURANCE	61%	67%	62%
OFFER CREDIT LIFE	65%	58%	64%
MAX AMT OF INSURANCE	\$49,776	\$67,500	\$52,468
PERCENT TAKING INSURANCE	21%	24%	21%

EXHIBIT 10A

LOAN PROCESSING FOR OPEN-END LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PROCESSING TIME IN DAYS	12	14	11	20	13
HOW PROCESSED					
BRANCH LEVEL	36%	43%	33%	25%	36%
REGIONAL	5%	8%	9%	17%	8%
CENTRAL	59%	49%	58%	58%	56%
PROCESS					
MANUAL	77%	89%	74%	67%	78%
AUTOMATED	23%	11%	26%	33%	22%
METHOD USED					
CREDIT SCORING	0%	0%	7%	0%	2%
JUDGMENTAL	91%	89%	51%	83%	77%
COMBINATION	9%	11%	42%	17%	21%
PERCENT OF APPROVED	72%	77%	78%	67%	75%
PERCENT OF CLOSED	85%	89%	88%	86%	87%
TYPE OF APPRAISALS					
FULL	53%	57%	61%	67%	58%
DRIVE-BY	37%	26%	16%	18%	26%
TAX	10%	12%	19%	12%	13%
REQUIRE TITLE INSURANCE	50%	67%	61%	92%	62%
OFFER CREDIT LIFE	77%	58%	61%	42%	64%
MAX AMT OF INSURANCE	\$62,759	\$38,409	\$52,292	\$56,250	\$52,468
PERCENT TAKING INSURANCE	28%	11%	20%	21%	21%

EXHIBIT 10B

LOAN PROCESSING FOR OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PROCESSING TIME IN DAYS	10	14	12	15	13
HOW PROCESSED					
BRANCH LEVEL	44%	45%	41%	19%	36%
REGIONAL	0%	0%	5%	22%	8%
CENTRAL	56%	55%	54%	59%	56%
PROCESS					
MANUAL	100%	95%	83%	51%	78%
AUTOMATED	0%	5%	17%	49%	22%
METHOD USED					
CREDIT SCORING	0%	4%	2%	3%	2%
JUDGMENTAL	63%	78%	86%	68%	77%
COMBINATION	38%	17%	13%	30%	21%
PERCENT OF APPROVED	82%	76%	75%	70%	75%
PERCENT OF CLOSED	88%	89%	88%	84%	87%
TYPE OF APPRAISALS					
FULL	63%	62%	54%	59%	58%
DRIVE-BY	23%	30%	29%	19%	26%
TAX	14%	8%	12%	19%	13%
REQUIRE TITLE INSURANCE	47%	57%	61%	73%	62%
OFFER CREDIT LIFE	60%	70%	62%	65%	64%
MAX AMT OF INSURANCE	\$50,000	\$45,000	\$55,405	\$52,619	\$52,468
PERCENT TAKING INSURANCE	14%	32%	22%	18%	21%

EXHIBIT 10C

LOAN PROCESSING FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS	11	12	11
HOW PROCESSED			
BRANCH LEVEL	41%	38%	40%
REGIONAL	12%	4%	11%
CENTRAL	47%	58%	49%
PROCESS			
MANUAL	70%	78%	71%
AUTOMATED	30%	22%	29%
METHOD USED			
CREDIT SCORING	7%	0%	5%
JUDGMENTAL	61%	71%	63%
COMBINATION	33%	29%	32%
PERCENT OF APPROVED	70%	70%	70%
PERCENT OF CLOSED	85%	81%	84%
TYPE OF APPRAISALS			
FULL	52%	65%	54%
DRIVE-BY	31%	22%	29%
TAX	14%	10%	13%
REQUIRE TITLE INSURANCE	52%	65%	55%
OFFER CREDIT LIFE	95%	75%	90%
MAX AMT OF INSURANCE	\$74,275	\$56,875	\$71,000
PERCENT TAKING INSURANCE	33%	32%	33%

EXHIBIT 11A

LOAN PROCESSING FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PROCESSING TIME IN DAYS	11	13	8	20	11
HOW PROCESSED					
BRANCH LEVEL	49%	46%	32%	18%	40%
REGIONAL	5%	14%	9%	27%	11%
CENTRAL	46%	39%	59%	55%	49%
PROCESS					
MANUAL	78%	75%	67%	55%	71%
AUTOMATED	23%	25%	33%	45%	29%
METHOD USED					
CREDIT SCORING	2%	3%	9%	9%	5%
JUDGMENTAL	83%	66%	37%	64%	63%
COMBINATION	15%	31%	54%	27%	32%
PERCENT OF APPROVED	67%	72%	73%	67%	70%
PERCENT OF CLOSED	82%	88%	83%	87%	84%
TYPE OF APPRAISALS					
FULL	48%	60%	54%	61%	54%
DRIVE-BY	42%	25%	22%	22%	29%
TAX	10%	9%	20%	14%	13%
REQUIRE TITLE INSURANCE	39%	64%	53%	90%	55%
OFFER CREDIT LIFE	90%	90%	97%	70%	90%
MAX AMT OF INSURANCE	\$58,065	\$63,478	\$83,333	\$110,714	\$71,000
PERCENT TAKING INSURANCE	35%	31%	34%	28%	33%

EXHIBIT 11B

LOAN PROCESSING FOR CLOSED-END LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PROCESSING TIME IN DAYS	7	9	12	12	11
HOW PROCESSED					
BRANCH LEVEL	33%	73%	43%	26%	41%
REGIONAL	0%	0%	7%	23%	11%
CENTRAL	67%	27%	50%	51%	49%
PROCESS					
MANUAL	89%	94%	76%	49%	71%
AUTOMATED	11%	6%	24%	51%	29%
METHOD USED					
CREDIT SCORING	0%	6%	7%	3%	5%
JUDGMENTAL	56%	76%	69%	49%	63%
COMBINATION	44%	18%	24%	49%	32%
PERCENT OF APPROVED	74%	77%	72%	63%	70%
PERCENT OF CLOSED	77%	90%	85%	82%	84%
TYPE OF APPRAISALS					
FULL	75%	57%	50%	53%	54%
DRIVE-BY	14%	38%	35%	22%	30%
TAX	11%	5%	10%	24%	13%
REQUIRE TITLE INSURANCE	56%	47%	55%	58%	55%
OFFER CREDIT LIFE	78%	100%	93%	85%	90%
MAX AMT OF INSURANCE	\$61,667	\$68,000	\$72,907	\$71,600	\$71,131
PERCENT TAKING INSURANCE	32%	42%	33%	30%	33%

EXHIBIT 11C

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
USE DEBT-TO-INCOME FORMULA	98%	100%	99%
PERCENT ON GROSS INCOME	38%	38%	38%
PERCENT ON NET INCOME	42%	46%	42%
MAX L-T-V RATIO FOR OWNER RESIDENCE	77%	77%	77%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	68%	71%	69%

**DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES**

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
USE DEBT-TO-INCOME FORMULA	100%	100%	98%	92%	99%
PERCENT ON GROSS INCOME	38%	39%	37%	40%	38%
PERCENT ON NET INCOME	43%	43%	41%	45%	42%
MAX L-T-V RATIO FOR OWNER RESIDENCE	74%	79%	77%	76%	77%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	65%	72%	71%	68%	69%

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
USE DEBT-TO-INCOME FORMULA	100%	96%	100%	97%	99%
PERCENT ON GROSS INCOME	40%	36%	38%	39%	38%
PERCENT ON NET INCOME	38%	43%	44%	42%	42%
MAX L-T-V RATIO FOR OWNER RESIDENCE	77%	76%	77%	77%	77%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	73%	63%	68%	69%	69%

**DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS**

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
USE DEBT-TO-INCOME FORMULA	98%	100%	98%
PERCENT ON GROSS INCOME	38%	38%	38%
PERCENT ON NET INCOME	43%	49%	44%
MAX L-T-V RATIO FOR OWNER RESIDENCE	78%	79%	78%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	70%	72%	70%

**DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS**

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
USE DEBT-TO-INCOME FORMULA	100%	100%	97%	91%	98%
PERCENT ON GROSS INCOME	38%	39%	37%	40%	38%
PERCENT ON NET INCOME	45%	49%	39%	45%	44%
MAX L-T-V RATIO FOR OWNER RESIDENCE	76%	81%	79%	79%	78%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	68%	71%	72%	69%	70%

**DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS**

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
USE DEBT-TO-INCOME FORMULA	100%	94%	100%	97%	98%
PERCENT ON GROSS INCOME	36%	35%	39%	39%	38%
PERCENT ON NET INCOME	42%	43%	45%	43%	44%
MAX L-T-V RATIO FOR OWNER RESIDENCE	79%	76%	79%	78%	78%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	73%	76%	69%	69%	70%

OPEN-END LINE BORROWER CHARACTERISTICS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF BORROWERS 20-34	15%	12%	15%
35-49	51%	51%	51%
50-64	27%	31%	27%
OVER 65	7%	6%	7%
HOUSEHOLD INCOME	\$49,870	\$51,515	\$50,132
NUMBER OF DEPENDENTS	2.8	2.6	2.8
YEARS AT PRESENT JOB	8.4	8.0	8.3
YEARS OF HOME OWNERSHIP	9.6	7.9	9.3
VALUE OF THE HOME	\$112,379	\$165,971	\$120,905
FIRST MORTGAGE BALANCE	\$50,985	\$62,211	\$52,722
AVAILABLE EQUITY	\$61,639	\$94,605	\$66,741

EXHIBIT 14A

OPEN-END LINE BORROWER CHARACTERISTICS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PERCENT OF BORROWERS 20-34	15%	13%	15%	15%	15%
35-49	53%	56%	48%	42%	51%
50-64	25%	25%	29%	36%	27%
OVER 65	6%	6%	8%	7%	7%
HOUSEHOLD INCOME	\$49,526	\$57,448	\$47,212	\$43,286	\$50,132
NUMBER OF DEPENDENTS	2.9	2.7	2.8	2.6	2.8
YEARS AT PRESENT JOB	8.3	8.0	9.3	5.5	8.3
YEARS OF HOME OWNERSHIP	9.6	8.9	9.5	8.0	9.3
VALUE OF THE HOME	\$128,597	\$114,280	\$99,059	\$183,667	\$120,905
FIRST MORTGAGE BALANCE	\$50,861	\$50,652	\$43,964	\$90,111	\$52,722
AVAILABLE EQUITY	\$77,736	\$54,381	\$54,679	\$93,556	\$66,741

OPEN-END LINE BORROWER CHARACTERISTICS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PERCENT OF BORROWERS 20-34	12%	18%	15%	13%	15%
35-49	54%	47%	51%	52%	51%
50-64	28%	27%	27%	28%	27%
OVER 65	6%	8%	6%	6%	7%
HOUSEHOLD INCOME	\$47,769	\$42,233	\$52,337	\$53,179	\$50,132
NUMBER OF DEPENDENTS	2.6	2.8	2.9	2.7	2.8
YEARS AT PRESENT JOB	8.4	8.3	8.7	7.6	8.3
YEARS OF HOME OWNERSHIP	9.5	9.8	9.0	9.4	9.3
VALUE OF THE HOME	\$94,077	\$94,333	\$129,165	\$141,754	\$120,905
FIRST MORTGAGE BALANCE	\$45,769	\$41,997	\$54,915	\$62,053	\$52,722
AVAILABLE EQUITY	\$48,308	\$52,337	\$70,653	\$83,798	\$66,741

CLOSED-END LOAN BORROWER CHARACTERISTICS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF BORROWERS 20-34	20%	14%	19%
35-49	47%	44%	46%
50-64	26%	31%	27%
OVER 65	7%	10%	8%
HOUSEHOLD INCOME	\$41,733	\$45,281	\$42,534
NUMBER OF DEPENDENTS	2.9	2.7	2.9
YEARS AT PRESENT JOB	7.8	7.9	7.8
YEARS OF HOME OWNERSHIP	9.0	8.5	8.9
VALUE OF THE HOME	\$97,847	\$146,847	\$109,896
FIRST MORTGAGE BALANCE	\$50,704	\$57,784	\$52,356
AVAILABLE EQUITY	\$47,857	\$79,195	\$55,293

CLOSED-END LOAN BORROWER CHARACTERISTICS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PERCENT OF BORROWERS 20-34	20%	20%	16%	18%	19%
35-49	46%	47%	46%	44%	46%
50-64	25%	26%	30%	31%	27%
OVER 65	9%	7%	8%	7%	8%
HOUSEHOLD INCOME	\$42,017	\$50,162	\$39,438	\$40,000	\$42,534
NUMBER OF DEPENDENTS	3.0	2.9	2.8	2.7	2.9
YEARS AT PRESENT JOB	8.1	7.2	8.5	6.2	7.8
YEARS OF HOME OWNERSHIP	9.4	8.0	9.4	7.6	8.9
VALUE OF THE HOME	\$111,760	\$124,142	\$73,050	\$175,750	\$109,896
FIRST MORTGAGE BALANCE	\$51,791	\$52,725	\$35,263	\$94,000	\$52,356
AVAILABLE EQUITY	\$62,264	\$56,794	\$35,579	\$81,750	\$55,293

CLOSED-END LOAN BORROWER CHARACTERISTICS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PERCENT OF BORROWERS 20-34	19%	18%	19%	18%	19%
35-49	43%	40%	49%	45%	46%
50-64	28%	32%	25%	30%	27%
OVER 65	11%	10%	7%	7%	8%
HOUSEHOLD INCOME	\$45,750	\$35,000	\$44,039	\$42,328	\$42,534
NUMBER OF DEPENDENTS	2.6	3.0	3.0	2.7	2.9
YEARS AT PRESENT JOB	7.6	7.9	7.8	7.8	7.8
YEARS OF HOME OWNERSHIP	8.8	8.1	9.0	9.2	8.9
VALUE OF THE HOME	\$99,833	\$82,444	\$114,441	\$122,638	\$109,896
FIRST MORTGAGE BALANCE	\$51,000	\$43,000	\$50,355	\$66,936	\$52,356
AVAILABLE EQUITY	\$48,833	\$39,444	\$60,422	\$56,395	\$55,293

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ACCESS CREDIT THROUGH CREDIT CARD	18%	8%	17%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	97%	96%	97%
ACCESS CREDIT THROUGH BANK CHECK	48%	25%	44%
ACCESS CREDIT THROUGH ATM	24%	13%	22%
ACCESS CREDIT THROUGH TELEPHONE	31%	17%	29%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	22%	13%	20%
ACCESS CREDIT THROUGH DEBIT CARDS	8%	0%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	59%	42%	56%
OPEN - # OF TRANSACTIONS	19	8	17
OPEN - TOTAL \$ OF TRANSACTIONS PER ACCOUNT	\$7,877	\$3,784	\$7,043

**ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS**

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ACCESS CREDIT THROUGH CREDIT CARD	9%	18%	27%	0%	17%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	95%	100%	98%	92%	97%
ACCESS CREDIT THROUGH BANK CHECK	57%	42%	33%	42%	44%
ACCESS CREDIT THROUGH ATM	23%	16%	30%	8%	22%
ACCESS CREDIT THROUGH TELEPHONE	25%	14%	40%	50%	29%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	23%	26%	18%	0%	20%
ACCESS CREDIT THROUGH DEBIT CARDS	7%	5%	9%	0%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	50%	58%	56%	75%	56%
OPEN - # OF TRANSACTIONS	11	27	15	5	17
OPEN - TOTAL \$ OF TRANSACTIONS PER ACCOUNT	\$11,218	\$4,341	\$4,739	\$11,363	\$7,043

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ACCESS CREDIT THROUGH CREDIT CARD	19%	22%	10%	24%	17%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	100%	100%	97%	95%	97%
ACCESS CREDIT THROUGH BANK CHECK	38%	48%	44%	43%	44%
ACCESS CREDIT THROUGH ATM	13%	39%	16%	24%	22%
ACCESS CREDIT THROUGH TELEPHONE	31%	39%	26%	27%	29%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	6%	30%	17%	24%	20%
ACCESS CREDIT THROUGH DEBIT CARDS	6%	17%	2%	8%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	44%	57%	59%	57%	56%
OPEN - # OF TRANSACTIONS	12	65	9	17	17
OPEN - TOTAL \$ OF TRANSACTIONS PER ACCOUNT	\$2,142	\$3,873	\$9,224	\$5,517	\$7,043

**DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING
LINE OR LOAN DOLLARS***

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
TOTAL DELINQUENT CONSUMER LOANS	2.12%	2.15%	2.12%
TOTAL DELINQUENT OPEN-END LINES	1.49%	1.81%	1.55%
30 TO 60 DAYS	.79%	1.01%	.83%
60 TO 90 DAYS	.31%	.23%	.30%
OVER 90 DAYS	.39%	.64%	.44%
TOTAL DELINQUENT CLOSED-END LOANS	1.63%	1.48%	1.59%
30 TO 60 DAYS	1.16%	1.14%	1.15%
60 TO 90 DAYS	.43%	.38%	.42%
OVER 90 DAYS	.51%	.43%	.49%

* The total of the subperiods may not equal the "Total Delinquent" figure since not all lenders broke their delinquencies into subperiods.

**DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING
LINE OR LOAN DOLLARS***

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
TOTAL DELINQUENT CONSUMER LOANS	2.45%	1.75%	2.29%	1.48%	2.12%
TOTAL DELINQUENT OPEN-END LINES	2.47%	1.02%	1.10%	.71%	1.55%
30 TO 60 DAYS	1.10%	.72%	.80%	.32%	.83%
60 TO 90 DAYS	.33%	.22%	.42%	.11%	.30%
OVER 90 DAYS	.72%	.24%	.36%	.32%	.44%
TOTAL DELINQUENT CLOSED-END LOANS	2.02%	1.24%	1.34%	1.56%	1.59%
30 TO 60 DAYS	1.03%	1.60%	.97%	.88%	1.15%
60 TO 90 DAYS	.42%	.58%	.30%	.31%	.42%
OVER 90 DAYS	.79%	.46%	.23%	.21%	.49%

* The total of the subperiods may not equal the "Total Delinquent" figure since not all lenders broke their delinquencies into subperiods.

**DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING
LINE OR LOAN DOLLARS***

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
TOTAL DELINQUENT CONSUMER LOANS	2.47%	2.30%	2.07%	1.94%	2.12%
TOTAL DELINQUENT OPEN-END LINES	4.00%	1.65%	1.77%	1.00%	1.55%
30 TO 60 DAYS	2.08%	.97%	.80%	.61%	.83%
60 TO 90 DAYS	2.17%	.31%	.27%	.16%	.30%
OVER 90 DAYS	1.08%	.58%	.51%	.22%	.44%
TOTAL DELINQUENT CLOSED-END LOANS	.	2.19%	1.80%	1.30%	1.59%
30 TO 60 DAYS	2.52%	1.11%	1.26%	.88%	1.15%
60 TO 90 DAYS	2.04%	.48%	.44%	.23%	.42%
OVER 90 DAYS	1.55%	.61%	.72%	.20%	.49%

* The total of the subperiods may not equal the "Total Delinquent" figure since not all lenders broke their delinquencies into subperiods.

FORECLOSED OPEN-END LINES

NUMBER OF FORECLOSED OPEN-END LINES	
Mean	8
Median	2
TOTAL DOLLAR AMOUNT OF FORECLOSED OPEN-END LINES	
Mean	\$330,166
Median	\$69,318
AVERAGE FORECLOSED OPEN-END LINES	
Mean	\$32,097
Median	\$24,500
FORECLOSURE AS A % OF FORECLOSED OPEN-END LINES	
Mean	78.8%
Median	97.0%
PERCENT OF OPEN-END LINES FORECLOSED	
Mean	.15%
Median	.08%
CHARGE-OFFS AS A % OF OUTSTANDING OPEN-END LINES	
Mean	.11%
Median	.07%

FORECLOSURED CLOSED-END LOANS

NUMBER OF FORECLOSED CLOSED-END LOANS	
Mean	28
Median	4
TOTAL DOLLAR AMOUNT OF FORECLOSED CLOSED-END LOANS	
Mean	\$1,347,789
Median	\$71,608
AVERAGE FORECLOSED CLOSED-END LOANS	
Mean	\$26,952
Median	\$21,867
FORECLOSURE AS A % OF FORECLOSED CLOSED-END LOANS	
Mean	59.9%
Median	74.5%
PERCENT OF CLOSED-END LOANS FORECLOSED	
Mean	.56%
Median	.15%
CHARGE-OFFS AS A % OF CLOSED-END LOANS	
Mean	.46%
Median	.15%

ADJUSTMENT CAPS
OPEN-END LINES

PERCENT OF LENDERS WITH ANNUAL ADJUSTMENT CAP	8.1%
PERCENT OF LENDERS WITH LIFETIME RATE FLOOR	33.3%
LIFETIME INTEREST RATE FLOOR	8.9%
LIFETIME INTEREST RATE CEILING	18.5%

EXHIBIT 20

ADJUSTMENT CAPS
CLOSED-END LINES

PERCENT OF LENDERS WITH ANNUAL ADJUSTMENT CAP	11.9%
PERCENT OF LENDERS WITH LIFETIME RATE FLOOR	15.5%
LIFETIME INTEREST RATE FLOOR	8.8%
PERCENT OF LENDERS WITH LIFETIME RATE CEILING	56.5%
LIFETIME INTEREST RATE CEILING	16.6%

EXHIBIT 21

USE OF SECONDARY MARKETS
PERCENT OF LENDERS

SELL HOME EQUITY LINES	1.5%
SELL HOME EQUITY LOANS	4.5%
BUY HOME EQUITY LINES	6.5%
BUY HOME EQUITY LOANS	12.5%
SECURITIZE EQUITY LINES	11.3%
SECURITIZE EQUITY LOANS	7.3%
PLANNING TO SECURITIZE OPEN-END LINES	5.9%
PLANNING TO SECURITIZE CLOSED-END LOANS	6.0%

EXHIBIT 22

PERIODIC REVIEW

PERIODIC REVIEWS OF EQUITY LINES	82.5%
FREQUENCY OF REVIEWS	
ANNUAL	50%
EVERY 2 YEARS	14%
EVERY 3 YEARS	8%
AS NECESSARY	7%
OTHER	20%
USE ACCOUNT MONITORING SYSTEM	51.5%
METHOD OF ACCOUNT MONITORING	
INTERNAL REPORT	59%
VENDOR CREDIT REPORT	41%

EXHIBIT 23

Appendix 1

APPENDIX I
REGIONAL CLASSIFICATION

REGION	#	REGION	#
Northeast	46	Midwest	45
Connecticut	5	Illinois	6
Maine	3	Indiana	8
Massachusetts	2	Iowa	0
New Jersey	4	Kansas	2
New York	11	Michigan	8
New Hampshire	0	Minnesota	6
Pennsylvania	19	Missouri	0
Rhode Island	1	Nebraska	0
Vermont	1	North Dakota	0
		Ohio	12
		South Dakota	0
		Wisconsin	3
REGION	#	REGION	#
South	38	West	12
Alabama	2	Alaska	0
Arkansas	1	Arizona	0
Delaware	3	California	5
Florida	5	Colorado	0
Georgia	2	Hawaii	2
Kentucky	2	Idaho	1
Louisiana	0	Montana	0
Maryland	3	Nevada	1
Mississippi	0	New Mexico	0
North Carolina	6	Oregon	0
Oklahoma	2	Utah	2
South Carolina	3	Washington	1
Tennessee	1	Wyoming	0
Texas	0		
Virginia	8		
Washington, D.C.	0		
West Virginia	0		



Appendix 2



CONSUMER BANKERS ASSOCIATION
McINTIRE SCHOOL OF COMMERCE
UNIVERSITY OF VIRGINIA

HOME EQUITY AND MORTGAGE SURVEY

- ▶ Please complete and return this form by February 20, 1991.
- ▶ Please report information for your entire bank including branches.
- ▶ If any answer is not known or not available, please answer with "N.A."
- ▶ If exact figures are not available, **provide best estimates**.
- ▶ When recording percentages, 50.0% means fifty percent; .50% is one half of one percent.

Definitions: Because of the confusion that exists within the industry on various terminology, we are providing the following two definitions to aid in the completion of this questionnaire.

Closed-End - fixed-term, single advance loan.

Open-End - revolving line of credit where repeated transactions are anticipated.

Note: For your participation in the completion of this questionnaire, a complementary copy of the executive summary will be sent to you. If you desire this summary, please complete the address. The results of this study will be reported only in aggregate and your data will be held in confidence by the researchers at the University of Virginia. Thank you.

Name of Institution:

(Holding companies, please consolidate information)

Location (address):

Questionnaire completed by:

Name:

Title:

Phone:

Return to:

Dr. Richard F. DeMong
Center for Financial Services Studies
McIntire School of Commerce
University of Virginia, Monroe Hall
Charlottesville, Virginia 22903
(804) 924-3227

SECTION I ABOUT YOUR INSTITUTION

Bill. Mill. Thou. Hund.

1. Your institution's asset size \$_____, _____, _____, _____
2. Number of branches or banks _____
3. Are you primarily a:
(please check only one)
☐ commercial bank ☐ mortgage company
☐ finance company ☐ savings bank
☐ brokerage house ☐ savings & loan association
☐ credit union
☐ other; If other, what are you? _____
4. Your institution's growth in assets (1990 vs. 1989): _____%
5. Your institution's return on assets (ROA) in 1990: _____%
6. Your institution's return on equity (ROE) in 1990: _____%
7. Do you offer open-end home equity lines?
____ No ____ Yes If so, in what year did you begin open-end home equity lending? 19____
8. Do you offer closed-end home equity loans?
____ No ____ Yes If so, in what year did you begin closed-end home equity lending? 19____

SECTION II
TOTAL CONSUMER CREDIT OUTSTANDING
(Excluding Unsecured Credit Cards)

BILL. MILL. THOU. HUND.

1. Total dollar **amount** of all consumer credit outstanding (excluding unsecured credit cards) as of year-end 1990. Please include your home equity, personal lines of credit, consumer mortgages, boat loans, vacation loans, etc. \$ _____, _____, _____, _____

2. Total **number** of all delinquent (over 30 days) accounts of consumer credit (excluding unsecured credit cards) as of year-end 1990. # _____, _____, _____

3. Total dollar **amount** of all delinquent (over 30 days) accounts of consumer credit (excluding unsecured credit cards) as of year-end 1990. \$ _____, _____, _____, _____

4. How many **total** consumer credit accounts (excluding unsecured credit cards) did you charge-off in 1990? # _____, _____, _____

5. How much were the consumer credit (excluding unsecured credit cards) **net charge-off** in 1990? \$ _____, _____, _____, _____

6. What **percent** of the consumer credit (excluding unsecured credit cards) were the result of a personal bankruptcy? _____%

SECTION III HOME EQUITY LENDING SECTION
--

There are two columns for each question in this section. The first column should be used for responses about your **open-end lines** and the second is for your **closed-end loans**. Please provide information for both types of lending. If you do not offer one or the other, please leave those columns blank.

	OPEN-END LINES				CLOSED-END LOANS			
	Bill.	Mill.	Thou.	Hund.	Bill.	Mill.	Thou.	Hund.
1. Total number of open-end home equity lines and closed-end loans as of year-end 1990.								
		#	,	,		#	,	,
2. Total dollar amount of approved accounts as of year-end 1990.								
	\$		,	,	\$		,	,
3. Total number of outstanding (in use) open-end home equity lines as of year-end 1990.								
		#	,	,				N.A.
4. Total dollar amount of outstanding (in use) open-end home equity lines as of year-end 1990.								
	\$		,	,				N.A.
5. Total number of new open-end home equity lines and new closed-end loans originated in calendar year 1990.								
		#	,	,		#	,	,
6. Total dollar amount of open-end lines and closed-end loans originated in calendar year 1990.								
	\$		,	,	\$		,	,

OPEN-END LINES

CLOSED-END LOANS

Bill.	Mill.	Thou.	Hund.	Bill.	Mill.	Thou.	Hund.
-------	-------	-------	-------	-------	-------	-------	-------

7. **Percentage** increase (decrease) in your open-end and closed-end lending during 1990.
- | | |
|------------------|------------------|
| _____ % increase | _____ % increase |
| _____ % decrease | _____ % decrease |
8. Total number of open-end home equity lines and closed-end loans outstanding that were delinquent by the amount of days shown at year-end 1990.
- | | |
|---------------------------|---------------------------|
| 30 days # _____, _____ | 30 days # _____, _____ |
| 60-90 days # _____, _____ | 60-90 days # _____, _____ |
| 90 + days # _____, _____ | 90 + days # _____, _____ |
9. Total amount of open-end home equity lines and closed-end loans outstanding that were delinquent by the amount of days shown at year-end 1990.
- | | |
|-----------------------------------|-----------------------------------|
| 30 days \$ _____, _____, _____ | 30 days \$ _____, _____, _____ |
| 60-90 days \$ _____, _____, _____ | 60-90 days \$ _____, _____, _____ |
| 90 + days \$ _____, _____, _____ | 90 + days \$ _____, _____, _____ |
10. In 1990, what was the dollar amount of open-end lines and closed-end loans that were classified as non-performers?
- | | |
|------------------------|------------------------|
| \$ _____, _____, _____ | \$ _____, _____, _____ |
|------------------------|------------------------|
11. What percentage of home equity loans outstanding were represented by non-performers for open-end lines and closed-end loans?
- | | |
|---------|---------|
| _____ % | _____ % |
|---------|---------|

	OPEN-END LINES				CLOSED-END LOANS			
	Bill.	Mill.	Thou.	Hund.	Bill.	Mill.	Thou.	Hund.
12. In 1990, how many open-end lines and closed-end loans resulted in foreclosure?		# _____	_____	_____		# _____	_____	_____
13. In 1990, what was the dollar amount of open-end lines and closed-end loans that resulted in foreclosure?	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
14. What percent of the line was outstanding at the time of foreclosure?			_____ %				_____ %	
15. In 1990, what was the total dollar amount of foreclosure/collection expense for open-end lines and closed-end loans?	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
16. What percentage of home equity loans outstanding were represented by foreclosure/collection expense for open-end lines and closed-end loans?			_____ %				_____ %	
17. In 1990, how many open-end lines and closed-end loans were charged-off?		# _____	_____	_____		# _____	_____	_____
18. In 1990, what was the dollar amount of open-end lines and closed-end loans charged-off (net)?	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____

OPEN-END LINES

CLOSED-END LOANS

Bill. Mill. Thou. Hund. Bill. Mill. Thou. Hund.

19. In 1990, what percent of total dollars of line/loan charge-offs were due to personal bankruptcy. _____ % _____ %

20. In 1989, what percent of total dollars of line/loan charge-offs were due to personal bankruptcy. _____ % _____ %

21. Minimum home equity line and loan. \$ _____ \$ _____

22. Maximum home equity line and loan. \$ _____ \$ _____

23. Open-end home equity borrowers access credit through the following: (check and complete where applicable)

Credit Card	___ Yes	___ No
Checks/Checking Accounts	___ Yes	___ No
Bank Check (counter check)	___ Yes	___ No
ATM	___ Yes	___ No
Telephone	___ Yes	___ No
Draft Account (Credit Union)	___ Yes	___ No
Overdraft protection on Checking Accounts	___ Yes	___ No
Debit Cards	___ Yes	___ No
Personal Withdrawals at Branch	___ Yes	___ No
Other (Please specify)	___ Yes	___ No

24. Which method of access is most frequently used by your borrowers? _____

25. What is the average number of access transactions per active account during 1990? # _____ # _____

26. Per active account during 1990, what was the average total dollar amount of transactions?
(Total for year per account)

\$_____. _____

\$_____. _____

27. Are interest only payments permitted?

_____ Yes

_____ No

N.A.

**SECTION IV
APPROVAL PROCESS**

OPEN-END LINES

CLOSED-END LOANS

- | | OPEN-END LINES | CLOSED-END LOANS |
|---|---|---|
| 1a. Do you use a debt-to-income formula in the approval process? | ____ Yes ____ No | ____ Yes ____ No |
| b. What is the percent on the gross income? (if applicable) | ____ % | ____ % |
| c. What is the percent on the net income? (if applicable) | ____ % | ____ % |
| 2. In the approval process, do you use: (please check only one) | credit scoring ()
judgmental ()
combination () | credit scoring ()
judgmental ()
combination () |
| 3a. How are the applications processed? | branch level ()
regional ()
central () | branch level ()
regional ()
central () |
| b. Is the process: | manual ()
automated () | manual ()
automated () |
| 4. Average "turnaround" or processing time for home equity lines and loans from applications to final approval in calendar days. | ____ days | ____ days |
| 5. What percent of applications are approved? | ____ % | ____ % |
| 6. What percentage of approved applications actually close? | ____ % | ____ % |
| 7. What is your maximum loan-to-value ratio for owner occupied residence? | ____ % | ____ % |

OPEN-END LINES

CLOSED-END LOANS

- | | | |
|---|--|--|
| <p>8. What is your maximum loan-to-value ratio for a non-owner occupied residence?</p> | <p>_____ %</p> | <p>_____ %</p> |
| <p>9. In your approval process, what percent of your appraisals are:</p> <p>full (complete inspection of property) _____ %</p> <p>"drive-by" appraisals _____ %</p> <p>approval on tax assessment only _____ %</p> <p>other (specify) _____ %</p> <p>_____ %</p> <p style="text-align: right;">Total 100 %</p> | | <p>_____ %</p> <p>_____ %</p> <p>_____ %</p> <p>_____ %</p> <p>_____ %</p> <p style="text-align: right;">Total 100 %</p> |
| <p>10. What percent of your lines/loans were originated at:</p> | <p>branches _____ %</p> <p>loan by phone _____ %</p> <p>direct mail _____ %</p> <p>brokers _____ %</p> <p>dealers _____ %</p> <p>other _____ %</p> <p style="text-align: right;">Total 100 %</p> | <p>branches _____ %</p> <p>loan by phone _____ %</p> <p>direct mail _____ %</p> <p>brokers _____ %</p> <p>dealers _____ %</p> <p>other _____ %</p> <p style="text-align: right;">Total 100 %</p> |
| <p>11. Do you require title insurance?</p> | <p>_____ Yes _____ No</p> | <p>_____ Yes _____ No</p> |
| <p>12. Do you offer credit life insurance?</p> <p>If yes, maximum amount insurance.</p> | <p>_____ Yes _____ No</p> <p>\$ _____, _____, _____</p> | <p>_____ Yes _____ No</p> <p>\$ _____, _____, _____</p> |
| <p>13. What percent of your customers take credit life insurance?</p> | <p>_____ %</p> | <p>_____ %</p> |

- 14a. For **open-end lines**, what fees are currently passed on to the customer. If you have different fees for different situations, please enter the range of those fees.

Estimated Fee		Estimated Fee	
annual	\$ _____	mortgage tax	\$ _____
application	\$ _____	points	_____ points
appraisal	\$ _____	property report	\$ _____
attorney's fees	\$ _____	recording fee	\$ _____
closing	\$ _____	subordination	\$ _____
commitment fee	\$ _____	title insurance	\$ _____
credit-check	\$ _____	title search	\$ _____
loan set-up	\$ _____	other (please specify) _____	\$ _____
		_____	\$ _____

- 14b. **Average** total fees per borrower. \$ _____, _____

- 15a. For **closed-end loans**, what fees are currently passed on to the customer. If you have different fees for different situations, please enter the range of those fees.

Estimated Fee		Estimated Fee	
annual	\$ _____	mortgage tax	\$ _____
application	\$ _____	points	_____ points
appraisal	\$ _____	property report	\$ _____
attorney's fees	\$ _____	recording fee	\$ _____
closing	\$ _____	subordination	\$ _____
commitment fee	\$ _____	title insurance	\$ _____
credit-check	\$ _____	title search	\$ _____
loan set-up	\$ _____	other (please specify) _____	\$ _____
		_____	\$ _____

- 15b. **Average** total fees per borrower? \$ _____, _____

SECTION V
VARIABLE RATE HOME EQUITY

1. Which **Index** do you use and what is the spread in basis points over that index for your variable rate home equity product? (Please check the appropriate index. OEL is for open-end lines and CEL is for closed-end loans.)

OEL	CEL		OEL	CEL	
☐	☐	<u>The Wall Street Journal</u> prime rate	_____	_____	basis point spread
☐	☐	A bank prime rate	_____	_____	basis point spread
☐	☐	30-day Treasury Bill rate	_____	_____	basis point spread
☐	☐	90-day (or 13 week) Treasury Bill rate	_____	_____	basis point spread
☐	☐	180-day (6 month) Treasury Bill rate	_____	_____	basis point spread
☐	☐	52-week Treasury Bill rate	_____	_____	basis point spread
☐	☐	Federal Reserve Discount rate	_____	_____	basis point spread
☐	☐	Other: _____	_____	_____	basis point spread

OPEN-END LINES

CLOSED-END LOANS

2. Frequency of interest rate adjustments? (Please check only one.)

Daily ☐
(i.e. when index changes)
Weekly ☐
Monthly ☐
Quarterly ☐
Other (specify) ☐ _____

Daily ☐
(i.e. when index changes)
Weekly ☐
Monthly ☐
Quarterly ☐
Other (specify) ☐ _____

- 3a. Do you have annual adjustment cap?

_____ Yes _____ No

_____ Yes _____ No

- b. If so, what is it?

_____ % change

_____ % change

- 4a. Do you have a lifetime interest rate floor?

_____ Yes _____ No

_____ Yes _____ No

- b. If so, what is it?

_____ % (minimum rate)

_____ % (minimum rate)

- 5a. Do you have a lifetime interest rate ceiling? _____ Yes _____ No _____ Yes _____ No
- b. Is so, what is it? _____ % (minimum rate) _____ % (minimum rate)

SECTION VI SERVICING

	OPEN-END LINES	CLOSED-END LOANS
1a. Do you conduct periodic reviews of your home equity lines for credit purposes?	_____ Yes _____ No	N.A.
b. If yes, how often?	_____	N.A.
2a. Do you use any type of account monitoring system?	_____ Yes _____ No	N.A.
b. If so, what is it?	_____	N.A.
3. During 1990, what was your customer's primary use for their home equity credit?	_____	_____
4. Approximately, what percent of your open-end lines and closed-end loans are used for the following purposes:		
Automobile purchase	_____ %	_____ %
Business expense	_____ %	_____ %
Debt consolidation	_____ %	_____ %
Education/college expenses	_____ %	_____ %
Home improvement	_____ %	_____ %
Investment purpose	_____ %	_____ %
Medical expenses	_____ %	_____ %
Tax payment	_____ %	_____ %
Vacation	_____ %	_____ %
Other (specify) _____	_____ %	_____ %
	Total 100 %	Total 100 %

	OPEN-END LINES		CLOSED-END LOANS	
5. Do you buy home equity lines or loans?	_____ Yes	_____ No	_____ Yes	_____ No
6. Do you sell home equity lines or loans?	_____ Yes	_____ No	_____ Yes	_____ No
7a. Do you "securitize" your home equity lines or loans?	_____ Yes	_____ No	_____ Yes	_____ No
b. If so, who do you use?	_____		_____	
8. If you do not presently "securitize" your home equity lines or loans, are you planning to do so during 1991?	_____ Yes	_____ No	_____ Yes	_____ No
9. Does the borrower have the option to convert all or part of the line or loan from variable to fixed rate?	_____ Yes	_____ No	_____ Yes	_____ No
10a. Does the borrower have the option to increase the line?	_____ Yes	_____ No		N.A.
b. If so, what is the cost of increasing the line?	\$_____, _____		\$_____, _____	

**SECTION VII
ABOUT THE BUSINESS**

OPEN-END LINES

CLOSED-END LOANS

- | | | |
|--|--|--|
| <p>1. What percent of your borrowers are in the following age brackets? (Use your best estimates)</p> | <p>20 to 34 years _____ %
 35 to 49 years _____ %
 50 to 64 years _____ %
 65 and over _____ %</p> | <p>20 to 34 years _____ %
 35 to 49 years _____ %
 50 to 64 years _____ %
 65 and over _____ %</p> |
| <p>2. Average total household income.</p> | <p>\$ _____, _____</p> | <p>\$ _____, _____</p> |
| <p>3. Average years of ownership of home by borrowers.</p> | <p>_____ Years</p> | <p>_____ Years</p> |
| <p>4. Average appraised value of the home.</p> | <p>\$ _____, _____</p> | <p>\$ _____, _____</p> |
| <p>5. Average first mortgage balance on the home.</p> | <p>\$ _____, _____</p> | <p>\$ _____, _____</p> |
| <p>6. Average years at current job by primary provided of family income.</p> | <p>_____ Years</p> | <p>_____ Years</p> |
| <p>7. Average number of dependents (including spouse).</p> | <p>_____</p> | <p>_____</p> |
8. How important are the following marketing activities to your home equity loan program? (Please rate each choice from 1 to 6 where 1 is **not** important and 6 is **very** important.)
- | | |
|--|---|
| <p>_____ Newspaper</p> <p>_____ Direct mail</p> <p>_____ Statement stuffers</p> <p>_____ Television</p> <p>_____ Magazines</p> <p>_____ Radio</p> <p>_____ Word of mouth</p> <p>_____ Cross-selling within</p> <p>_____ Other (please specify) _____</p> | <p>_____ Billboards</p> <p>_____ Brochures</p> <p>_____ Telemarketing in-house</p> <p>_____ Realtor referrals</p> <p>_____ Construction company referrals</p> <p>_____ Employee incentive</p> <p>_____ No or low closing cost</p> <p>_____ Low introductory interest rate</p> |
|--|---|
9. If you had to choose one of the above, which would be the most important to your home equity program?
- _____

OPEN-END LINES

CLOSED-END LOANS

10. How many full-time staff, including management, are dedicated to open-end lines and closed-end loans? (Please break down the number or just insert the total for both types of loans.)

-or-
Overall total

11. What was the total salary for the above staff during 1990?

\$ _____, _____, _____

\$ _____, _____, _____

-or-
Overall total
\$ _____, _____, _____

12. What is your total origination cost (including credit bureau, advertising, etc.)?

\$ _____, _____, _____

\$ _____, _____, _____

Or, what is it per line/loan?

\$ _____ (per line)

\$ _____ (per loan)

13. What were your home equity lending marketing and advertising costs in 1990?

\$ _____, _____, _____

\$ _____, _____, _____

-or-
Overall total
\$ _____, _____, _____

14. What is your total servicing cost (including collections, customer service, item processing, etc.)?

\$ _____, _____, _____

\$ _____, _____, _____

Or, what is it per line/loan?

\$ _____ (per line)

\$ _____ (per loan)

The Consumer Bankers Association was founded in 1919 to provide a progressive voice for the retail banking industry. CBA represents approximately 900 federally insured banks and thrift institutions that hold more than 80 percent of all consumer deposits and more than 70 percent of all consumer credit held by federally insured depository institutions.



CONSUMER
BANKERS
ASSOCIATION

1000 Wilson Boulevard
Suite 3012
Arlington, VA 22209-3908
(703) 276-1750